



Corporate Procurement Strategy 2007 – 2010

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Foreword by Simon Wiles (CPFA)

Director of Resources & Deputy Chief Executive



The strategic importance and role of procurement has gained greater prominence nationally in recent years. A series of Government reports including Egan, Byatt and more latterly the Gershon report, have all drawn attention to the need for the better use and management of effective procurement practice to secure benefits across the public sector

Local authorities generally have always struggled to meet the often competing demands of their communities within the limited financial resources at their disposal and York is no different. Indeed as the second lowest funded unitary authority in England & Wales we have even greater pressures than most. Effective and efficient procurement arrangements are recognised as one of the main ways in which the Council can secure maximum benefit from the resources available for both revenue and capital purposes: in terms of both improvements in our services and our cost base. But a well thought out procurement strategy can help us to do more than that. It can ensure we direct the Council's spending power in ways that can best support the wider aims and objectives of the Council, including the need to promote the sustainability agenda, support the local economy and work effectively in partnership with others.

This document sets out our vision for the future and the actions we will take over the next 3 years to achieve our ambitions for procurement. The strategy is key to the Council's overall improvement agenda and will play a crucial role in helping the organisation achieve 'Excellence' in the future.

Your views and comments on the strategy would be most welcome. If you would like to discuss it further please contact Liz Ackroyd (Assistant Director of Resources, ARM) at the City Finance Centre.

Signature

Simon Wiles

Director of Resources & Deputy Chief Executive

Letter of support from Cllr Ceredig Jamieson-Ball

Dear reader,

Good procurement is key to providing cost effective and efficient services for the community. The Council spends in excess of £120m each year on externally procured good and services, so it is essential that we buy the **right** things, in the **right** way, at the **right** time and for the **right** prices.

Every local authority buys good and services from external suppliers. In doing so, the City of York Council itself is committed to ensuring it achieves value for money for the people of York. Our over-riding ambition is to always make the best use of limited financial resources in a sustainable way without compromising the quality or integrity of our services.

A great deal of thought and hard work has gone into improving the management and practice of procurement within the organisation and significant progress has been made in recent years. Nonetheless, we must keep under constant review how we can continue to improve in the future. I believe the following strategy will help the Council to achieve its ambitions for the community.

I have found this document to be both useful and informative, I hope you do too.

Signature

Councillor Ceredig Jamieson-Ball
Executive Member for Corporate Services

Introduction

- 1 Procurement has been defined in its widest sense as:

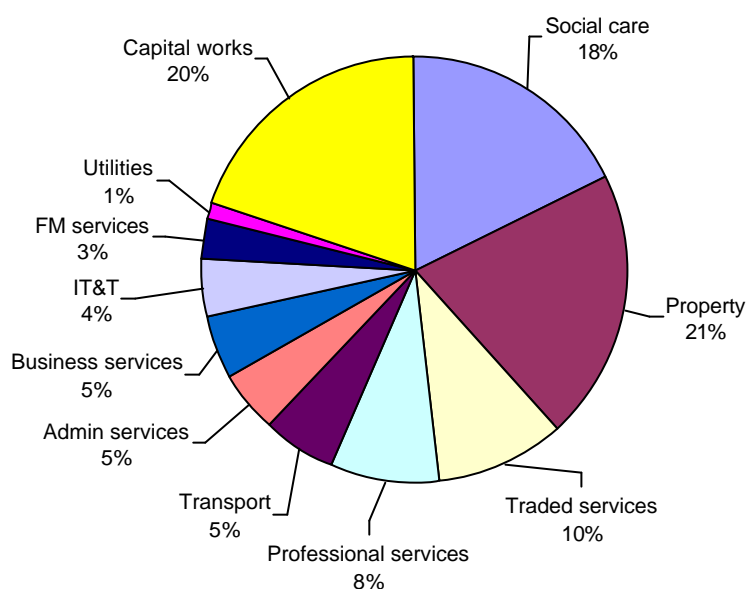
“The process of acquiring goods, works or services, covering both acquisition from third parties and from in-house providers. The process spans the whole cycle, from identification of needs through to the end of a services contract or the end of the useful life of an asset. It involves options appraisal and the critical ‘make or buy’ decision, which may result in the provision of services external to the Council in appropriate circumstances”

The National Procurement Strategy (ODPM 2004)

- 2 This definition encompasses both the more traditional concepts of purchasing along with wider strategic management issues about how procurement can be used to inform the shape and nature of the organisation as a whole and the delivery of Council services to best meet the needs of users and our local communities in the future. Effective procurement should therefore play a crucial role in helping the organisation provide high quality, cost effective public services.
- 3 There are a number of important reasons as to why this strategy has been prepared. The key drivers include:
 - a) the need to comply with the provisions of the Local Government Act 2000 and extant statutory Best Value guidance;
 - b) the requirements of the National Procurement Strategy published in 2004 in response to the recommendations of the Byatt report for improving public sector procurement;
 - c) the continuing national focus on public sector procurement further to the Gershon report in 2005 and more latterly by initiatives such as the Local Government Sustainable Procurement Action Plan (May 2007);
 - d) the contribution procurement can make to the effective provision of services and the ‘value added’ gains that can accrue both in terms of improvements in quality and the optimisation of costs;
 - e) the need for the Council to shift its understanding of procurement away from a fairly traditional transactional and gate-keeping view of its role and purpose and mainstream it within the strategic management and planning considerations of the organisation;
 - f) effective procurement arrangements are major considerations within the VFM assessment for the Use of Resources judgement further to the Comprehensive Performance Assessment (CPA);
 - g) the need to move away from short-term approaches which place lowest initial cost ahead of whole-life performance at the expense of optimising sustainable solutions for the future.

- 4 The Council is a major purchaser within the region, spending approximately £120m per annum with external suppliers. This represents about one third of the Council's gross annual budget. Exhibit 1 below shows the type and relative values of Council spend by main category with external suppliers.

Exhibit 1 Spend analysis



The spend analysis shown in Exhibit 1 is based on an independent interrogation of the Council's financial management systems for historic spend in 2003/04 excluding paybill costs, taxes and duties, schools and HRA expenditure.

- 5 A clear understanding of how procurement can be used to get the best value for the money the Council spends on behalf of tax payers is crucial therefore. In addition, the level of aggregate Council spend on any given category of goods or services can also constitute significant economic power within the market place that may be used to the wider benefit of the community and to help achieve wider policy ambitions and priorities of the Council.
- 6 Done well, and in the context of a robust overall policy and strategy framework, procurement can help the Council achieve its wider objectives, make more efficient use of scarce resources, drive improvement and mitigate risk.

Background

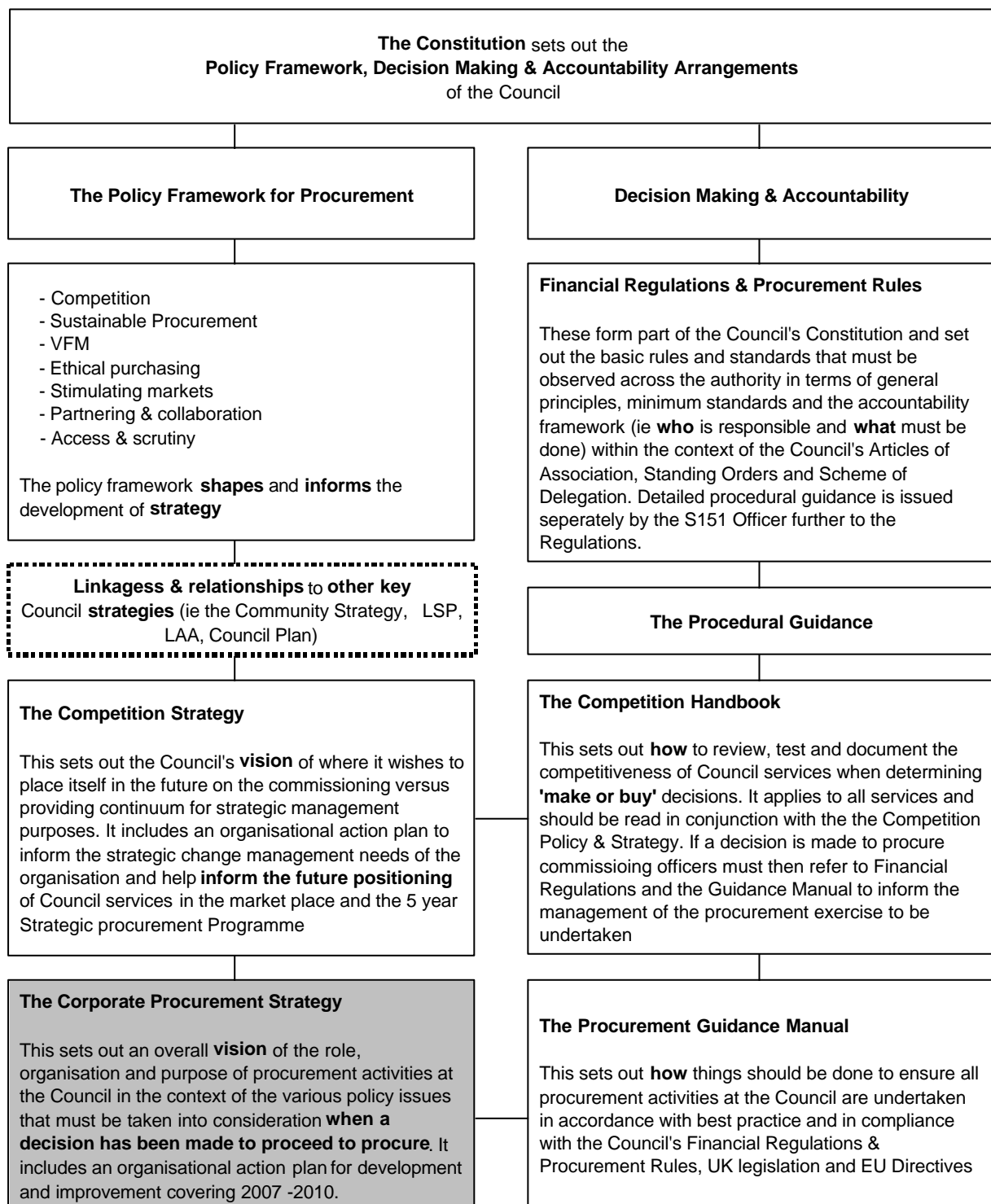
- 7 Procurement has suffered in past years at the Council from under-investment, poor management information, and a lack of suitably expert and knowledgeable resources available to support the procurement needs and aspirations of the organisation. Management attention has tended to focus on reactive, service based purchasing activities whilst pressures to demonstrate value for money, achieve economic savings, and ensure compliance with proper practice, government inspection, policy and legislative requirements have made heavy demands on the small central team established in 2004 to provide procurement support and advice across the Council.
- 8 Whilst working from a low starting point, much work has been done since then to address a challenging development agenda and significant changes and improvements have been made, including:
 - a) the publication of fully comprehensive Procurement Rules further to the new Financial Regulations adopted as part of the new Constitution in May 2006 and the development of an accompanying Procurement Guidance Manual for practitioners;
 - b) the development of a fully populated corporate Contracts Register and the adoption of a new automated Supplier Contract Management System;
 - c) a review of all addressable spend under existing contract and the development of a series of corporate contracts and framework agreements for generic supplies and services, resulting in financial savings, reduced non-compliance and better post-award contract management arrangements;
 - d) the development of standard procurement documentation covering each stage in the procurement process, along with standard contract terms and conditions available via the Resources Procurement Intranet site;
 - e) the identification of procurement savings in excess of £800k across the organisation over the last 3 years;
 - f) the creation of an expert central advisory and support service;
 - g) the development of a five year Strategic Procurement Programme further to an overall Efficiency Programme for the Council.
- 9 However, much remains to be done if we are to become truly 'excellent' in the future and this strategy is fundamental to putting procurement on the path to excellence over the next 3 years.

Scope & purpose of this strategy

- 10 This strategy sets out an overall vision of the role, organisation and purpose of procurement activities at the Council in the context of the various policies that must be taken into consideration **once a decision has been made to proceed to procure**. It includes a medium term action plan for development and improvement up to the organisation's move to one-site operations at Hungate in 2010. It is ambitious and challenging, and will require cultural change, enhanced leadership and contract management capabilities across the organisation and step-change service improvement through business process re-engineering and the use of new technologies. Deploying the strategy in practice will require the organisation to better understand the market place and demonstrate a willingness to work effectively and innovatively with suppliers and partners to deliver desirable and sustainable service outcomes to the wider benefit of the community.
- 11 The scope of this document does not extend to how the organisation may choose to use strategic procurement activities as a lever for change and service transformation. It **does not** in itself, therefore, set out a vision of where the organisation should place itself on the 'commissioning versus providing' continuum for overall strategic management purposes and the future provision of Council services. Those matters are discussed in a separate Competition Strategy (encompassing the five year Strategic Procurement & Commissioning Programme) and an accompanying Competition Handbook that details how practitioners should review, test and document the competitiveness of Council services and alternative market options when determining 'make or buy' decisions.
- 12 Instead, this document takes a high level view of procurement across the organisation, focusing on setting out:
- an overall vision of the role, purpose, objectives and organisation of procurement as a key management activity at the Council, based on a thorough knowledge and understanding of where we are now, key drivers and dependencies and our procurement aspirations for the future;
 - the principles and policy framework for procurement and the professional and legislative standards that must be complied with when a decision has been taken to procure from third parties;
 - a medium term action plan providing a road map for development and improvement to achieve the vision and objectives set out in this strategy.

- 13 This strategy does not provide guidance as to how to conduct a procurement exercise per se. Detailed advice on how to carry out individual procurements is provided in the Procurement Guidance Manual for practitioners, which should in turn be read in conjunction with the Council's Financial Regulations and Procurement Rules. Exhibit 2 overleaf shows the relationships between the different elements of the policy and decision making framework for procurement and the place of this strategy in that context.
- 14 The purpose of this strategy is to:
- contribute to the development of a clear and consistent policy and decision making framework for strategic procurement and purchasing activities across the organisation;
 - support the service needs and ambitions of the Council and help to deliver the Council's wider policy objectives and priorities;
 - articulate best practice and management standards within a coherent framework of related procurement policy 'platforms';
 - meet the expectations of our key stakeholders, including staff, customers, partner organisations, external inspectorates, suppliers and the wider business community;
 - help change the way in which the Council thinks about procurement, away from the traditional perception of procurement as a one-off, transactional or regulatory gate-keeping function, to one more focused on achieving thoughtful, effective and innovative procurement solutions that best meet the needs of the organisation and the community.

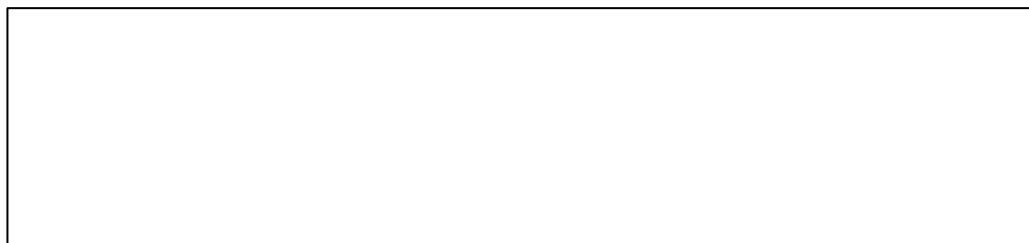
Exhibit 2 The policy & decision making framework



Note The shaded box shows the position of this strategy in relation to other key component parts of the overall policy, strategy and decision making framework for procurement at the City of York Council

Vision, values & objectives

- 15 An overarching vision statement for procurement at the Council has been developed and is set out below.



- 16 A series of key objectives and supporting 'success' measures have been devised further to the Council's strategic vision for procurement. These are organised across key themes and are set out in the table shown at Exhibit 3 overleaf.

- 17 The strategic vision and objectives for procurement are rooted in a commitment to the following guiding principles and assumed cultural values that should inform the approach to all procurement activity across the organisation:

- **Fairness & transparency**

The Council is committed to ensuring fairness, openness and honesty in all its procurement activities. All staff and members will act with due probity and propriety in all their dealings with third parties and in the development of business relationships and service partnerships. Equally, the Council expects its contractors and suppliers to act openly and honestly in all their dealings with the Council.

- **Equality & diversity**

The Council is committed to ensuring equal opportunities, access and treatment for all. All procurement activity will be conducted in a way that is non-discriminatory and promotes equality of opportunity for staff, the public and business. The Council will ensure it fulfils its statutory responsibilities by requiring all its contractors and suppliers to comply with all current equalities legislation including the Race Relations (Amendment) Act 2002, the Race Relations Act 1976, the Sex Discrimination Act 1975, the Disability Discrimination Act 1995, the Employment Equality Regulations 2003 and Codes of Practice issued by the Equality Commission. The Council will promote the healthy development of a mixed economy of supply in which the optimum procurement solution for the organisation and the wider community will be preferred.

- **Sustainability**

All procurement activities will be undertaken with regard to the need to ensure integrated, sustainable development and the use of assets. Procurement decisions must be made with regard to 'whole life' value for money considerations and environmental impacts. The Council will implement the actions recommended by the Sustainable Procurement Taskforce (May 2007) to support the shared national goal for the UK to become a leader in the EU on sustainable procurement by 2009.

- **Value for Money**

There will be no automatic preference for lowest price awards where it is known that important quality or other whole life costing considerations should also be evaluated to ensure the Council obtains and sustains best value throughout the life of an asset and/or contracts for supplies and services. All awards will be made through competitive process in accordance with Council Regulations, UK legislation and EU Directives. Corporate contracts for generic supplies and services will be used by all parts of the organisation wherever possible to make best use of the Council's purchasing power in the market place, exploit potential economies of scale and ensure the proper aggregation of contract values across the organisation.

- **Management standards**

All procurement activity at the Council will be lawful and undertaken in accordance with the relevant professional and best practice standards. The regulatory and procedural framework for procurement will be complied with at all times to ensure accountability, probity and the proper safeguarding of Council assets of public monies. Any exception to this rule must be approved in advance by the Chief Finance Officer and also, when appropriate, the Monitoring Officer. All procurement exercises must be clearly documented to provide a clear audit trail and records must be kept securely by the commissioning department for a specified period. All contracts entered into must be logged on the Corporate Contracts Register maintained by the Corporate Procurement Team for overall management and reporting purposes.

- **Risk Management**

All risks associated with the development and on-going performance of a contract must be assessed by the commissioning department in accordance with the Council's Risk Management Policy and Strategy. A formal risk assessment should be completed as part of any significant procurement exercise and all mitigation actions recorded within the Risk Register for effective management purposes.

- **Project Management**

All major procurement exercises must be managed as structured projects, scaled to fit the complexity and value of the procurement and incorporating appropriate levels of monitoring and control. It is the aim of the Council to move towards the use of structured project and programme management methodologies to ensure the necessary skills and disciplines are in place to ensure the successful management and completion of all project work, on time, within budget and in accordance with the project specification.

- **Doing business electronically**

It is recognised that long term efficiencies in the procurement process may be best realised through the better, universal use of e-technology solutions. The Council is committed to reviewing how e-procurement developments can be used to improve its current arrangements. It is developing the use of its Supplier & Contracts Management System which incorporates an e-tendering solution and allows the business community to access information about all local authority contracts and awards across the region via a shared web-portal. Other long term efficiencies and service improvements will be afforded through the replacement of the Council's financial ledger system.

- **Training & development**

Effective procurement relies on the involvement of suitably knowledgeable and expert staff to support the initial procurement process but equally then to manage the deployment of individual contracts post-award. The staff training and development required to build competence and capacity across the organisation ranges from a basic knowledge and understanding of purchasing practice to more formal procurement and project management qualifications as appropriate. The Corporate Procurement Team are responsible for developing and delivering a Council-wide training programme for all staff and Members engaged in procurement.

Exhibit 3 Strategic objectives

VFM, competition & efficiency
To ensure procurement procedures are managed cost efficiently and value for money is obtained in the procurement of all goods, services and works
To fully exploit all available economies of scale and opportunities for market leverage by extending the use of corporate contracts and framework agreements
To support staff and members in identifying scope for year on year contract savings and other procurement related VFM improvements
To promote the greater and more consistent use of whole life costing and cost/benefit techniques in evaluating known or preferred quality considerations where applicable in awarding major contracts
To ensure the proper use of competition to help the organisation obtain and demonstrate best value in the choice and delivery of all Council contracts
Performance management
To establish an appropriate set of key indicators, standards and targets for procurement within an agreed performance management framework that includes all relevant feedback and reporting cycles
To develop the management information systems necessary to ensure the production of accurate, complete, up to date and easily accessible spend analysis and other performance information relevant to the function of procurement at the Council
Sustainability
To adopt the Local Government Sustainable Action Plan as set out by the Sustainable Procurement Task Force (May 2007)
To ensure all procurement practices are consistent with and support the delivery of the Council's wider environmental strategy and Local Agenda 21 Plan
To develop the use of corporate contracts for areas of generic spend and ensure that consideration of environmental impacts, ethical trading concerns and sustainable procurement considerations are fully built into the evaluation process by building in suitable quality criteria into contract specifications and using use of whole life costing techniques in the evaluation process where relevant
To work with the regional Centre of Excellence and other partner organisations to encourage good practice and influence the development of a diverse and sustainable external market place
Partnership & collaboration
To foster and encourage innovative procurement solutions to support the Council's partnership aspirations and help the organisation to work effectively in collaboration with others

Standards & governance

To ensure that risk is appropriately managed and that all procurement activities and transactions are legal, comply with the regulatory framework and the Council's Code of Corporate Governance

To ensure all procurement activity and decision making is carried out in accordance with the Constitution

Staffing & organisation

To ensure that scarce procurement resources are deployed effectively and that systems are in place to deliver the Council's strategic procurement priorities

To determine and clearly document the respective roles and responsibilities of central and devolved staff involved in procurement activities

To invest in the recruitment and retention of suitably qualified, experienced and competent staff and secure an appropriate mix of central and local staff inputs to support the corporate and operational procurement needs of the organisation

To ensure a structured approach to the education, training and development of all staff across the organisation with procurement and contract management responsibilities

Equalities & inclusion

To develop and promote consistent procurement practices and procedures that ensure that the Council fulfils its statutory duties, promotes equality for all in the procurement process and requires all suppliers to comply with all equalities standards

To develop and promote consistent procurement practices and procedure that ensure that the needs of all parts of the community and minority groups are fully considered in the development of suitable contract specifications and procurement solutions

To develop and promote consistent procurement practices that take due account of a preference to purchase locally and/or encourage Small & Medium sized Enterprises in the market place where this does not compromise legal or other competition requirements or the ability of the Council to obtain VFM

To encourage local companies and Small & Medium sized Enterprises to participate in the contracting process and provide a means of impartial advice and support to such companies to assist them in doing so

New technologies

To use new and emerging information technologies wherever possible to reduce transactional costs and improve the efficiency and effectiveness of all aspects of the procurement process for the Council, external suppliers and contractors and to the benefit of the community

Standards & legislation

- 18 All procurement activity must be conducted in accordance with the Council's Financial Regulations and Procurement Rules, UK Legislation and EU Procurement Legislation. Compliance with the regulatory framework is vital: protecting the Council against litigation, and securing accountability for the way in which public money is spent. Failure to comply with legislative and regulative rules may constitute misconduct and lead to formal disciplinary action.
- 19 All staff and members involved in procurement must:
- ensure that any procurement exercise is legal, transparent and does not expose the Council to unacceptable risk;
 - seek any necessary advice, guidance and support from the Corporate Procurement Team and refer to them in respect of any contract for goods, works or services in excess of the relevant EU thresholds;
 - conduct procurement exercises in a fair and transparent manner, consistent with the requirements of the Council's Financial Regulations and the procedures set out in the Procurement Guidance Manual for practitioners;
 - report any concerns they may have over the conduct of any procurement exercise, known fraud or corruption or any other breach of the Council's Financial Regulations to the Chief Internal Auditor for investigation and action;
- 20 In addition, commissioning officers must take into consideration the requirements of the following legislation to ensure that the procurement process is not prejudiced or open to future challenge.
- The Race Relations Amendment Act,
 - TUPE Regulations;
 - Local Government Act;
 - Freedom of Information Act.
- 21 In doing so, the following principles must be reflected in the documentation, evaluation and award of contracts when selecting and dealing with suppliers:
- the elimination of unlawful racial discrimination, be that direct, indirect or institutional;
 - promote equality of opportunity and good relations between persons of different racial groups.
- 22 Full details of all legislative and regulatory requirements at each stage in the procurement process are set out in the Council's Financial Regulations & Procurement Rules and the Procurement Guidance Manual for practitioners.

Risk management

- 23 Risk management is integral to good management practice enabling the Council to better understand, document and mitigate the risks and opportunities arising from any given procurement exercise.
- 24 Procuring goods, services and works from third parties exposes the Council to a range of risks. Procurement risk is often considered from a simple transactional perspective relating to an individual procurement, eg what risks would we run if a contractor fails to deliver a service. However, thinking about procurement as a strategic management concern for the Council, also means thinking about the risks the Council as a corporate entity would be exposed to if any part of the overall process of procurement across the organisation breaks down or is badly managed. Having an effective management infrastructure which includes everything from appropriate governance, decision making, staffing and contract management arrangements is crucial to managing the procurement risks the Council is exposed to everyday as a result of all the various individual commissioning and purchasing activities taking place across the organisation.
- 25 The management of risk should be proportionate to the size and value of the procurement exercise but should always include consideration of the following stages in the risk management cycle:
- **Identify** the risks that exist
 - **Assess** those risks for potential frequency and severity
 - **Eliminate** the risks that can be eliminated
 - **Reduce** the effect of those risks that can not be eliminated
 - **Monitor** the results of any risk management action taken
 - **Evaluate** and balance hazards and opportunities to make well-informed decisions
- 26 Where a major procurement exercise is to be undertaken a recognised project methodology should be adopted, such as Prince II. Integral to most project methodology is the development of a formal risk register.
- 27 Successful risk management flows from an early assessment of likely risks in the planning stage of any given procurement. Whilst the kinds of risk arising will be specific to each procurement, consideration of the following risk factors would be typical in most exercises:
- discontinuity in the supply of essential goods or services;
 - procurement outcomes that are contrary to Council objectives;
 - fraud and corruption;
 - prosecution and litigation for infringement of regulations;
 - change in the external environment;
 - understanding the market;
 - future supply and demand for the product.

The policy framework

- 28 All procurement takes place within the context of the overall policy framework at the Council as set out in the Constitution. There are already a number of corporate policies that have a direct bearing on procurement considerations including those for Equalities, Environment, Risk Management, Insurance, x, y, z
- 29 In addition to those wider 'generic' policy statements, the specific policy framework for procurement at the Council is made up a grouped series of policy 'platforms' relating to the following issues:
- Competition (contracting with external suppliers);
 - VFM;
 - partnering and collaboration;
 - sustainable procurement;
 - ethical purchasing;
 - stimulating markets and achieving community benefits.
- 30 The policy headline for each platform is set out below.

Contracting with external suppliers

All goods, works and services which are to be sourced externally will always be acquired through a legally compliant competition process unless there are compelling reasons to do otherwise and any necessary exemption from Council Regulations is allowable under UK law and EU Directives and has been agreed in advance with the Chief Finance Officer. The decision to award must be transparent and evidence of comparative quotes or tenders must be fully documented through an equitable and consistent evaluation process.

VFM policy

Contracts will normally be awarded to the provider offering the most economically advantageous balance of quality and cost. The evaluation process will ensure that competitive bids or quotes are fairly assessed on the basis of quality and other non-cost considerations and the costs that will be incurred by the Council throughout the life of an asset (including its disposal) or contract period.

Partnering & collaboration policy

Opportunities to work effectively in partnership and collaboration with others to deliver better, cost effective outcomes to our customers and across the community will be actively pursued and supported through the development and use of innovative procurement solutions. New approaches will be encouraged in order to support new ways of working in the future wherever possible, providing the Council is protected at all times against risk of loss, misappropriation, fraud,

damage to its reputation or legal challenge. Entering into contractual partnering arrangements with a third party organisation, irrespective of its market place position, will be subject to normal competition and VFM requirements set out in the procurement policy framework. The comparative benefits of non-contractual shared service solutions and informal partnering arrangements based on non-contractual agreements must be documented along with an examination of alternative market place solutions.

Sustainable procurement

Good, services and works will be procured wherever possible and within known financial constraints in such a way as to maximise the whole life values to the organisation, its partners and the wider community whilst seeking to minimise any adverse environmental impacts of any given supply. Thought must be given to any relevant environmental sustainability issues. Equally, consideration should be given to the sustainability of the supply within the market place and how contracted goods, services or works will contribute to the sustainability of the Council and its services to the community.

Ethical purchasing

All procurement decisions must give due regard to known ethical concerns relating to any given supply. Council procurements must not (however indirectly) go towards supporting the known exploitation of child or slave labour, promoting racism or encouraging social segregation or division. Ethical considerations may be brought into the evaluation process as quality or other non-cost considerations. For example, an ethical preference for Fair Trade products for example may be rewarded through additional 'non-price' criteria within the evaluation process. A balanced judgement as to the desirability of any given supply should then be assessed on the basis of the overall costs and value that will be incurred and derived by the Council throughout the life of an asset (including its disposal) or contract period.

Stimulating markets & achieving community benefits

The Council has a legal responsibilities to help stimulate the market place, foster the social and economic well-being of its communities and support the development of a vibrant local economy. Procurement solutions will be developed with this in mind and preference given to Small & Medium sized Enterprises and/or local providers where there is no legal or VFM detriment to the Council.

Public access & scrutiny

All procurement activities will be transparent and open to public scrutiny. All contract information relating to existing awards, up and coming contracts and approved supplier lists will be logged on the Council's web-enabled Supplier Contract Management System for easy reference by the business community across the region.

The strategy

- 31 This strategy seeks to set out a clear 'road map' of what the Council wants to achieve in respect of procurement over the next three years based on a clear understanding of:
- a) how the procurement agenda has developed since the Council adopted the original framework strategy for procurement and initial medium term plan for development and improvement running between 2004/05 – 2006/07 across a range of key service themes or 'continuums';
 - b) the current baseline position at the Council in respect of each of those continuums further to the work done over the last 3 years;
 - c) what, realistically, can be achieved over the next 3 years to make further progress within known funding, resourcing and technological constraints;
 - d) what actions are therefore needed and over what time-scales to ensure the effective deployment of this strategy by the end of 2009/2010.
- 32 An analysis of a, b and c above, has been prepared on the basis of a set of key service continuums derived from the strategic objectives for procurement set out on pages 10 & 11 of this document. The continuums chosen include:
- VFM, competition & efficiency;
 - Performance management;
 - Sustainability;
 - Partnership & collaboration;
 - Standards & governance;
 - Staffing & organisation;
 - Equalities & inclusion;
 - New technologies;
 - Ethical purchasing.
- 33 Each continuum contains within in it a series of sub-set considerations. These are set out on pages x-x. Each continuum sets out the key features that might be expected in relation to different levels of performance based on a scale of 1 – 7 where:
- 1 = failing**
2 = poor
3 = inadequate
4 = satisfactory
5 = above average
6 = good
7 = excellent

- 34 These continuums have then been used to assess where the organisation started from, the current position and what can be achieved over the next 3 years within known funding, resourcing and technological constraints. Each sub-set consideration has therefore been marked to clearly indicate the following:



Starting position at beginning of 2003/04



Position at end of 2006/07



Aspiration by end of 2009/2010

- 35 As the continuum analysis demonstrates the organisation has achieved a great deal over the last 3 years. On average overall arrangements now equate to somewhere between a '3' and a '4', having averaged a high '1' to borderline '2' before the creation of the current Corporate Procurement Team, deployment of the Council's original framework strategy for procurement and implementation of the first 3 year action plan (2004/05-2006/07) for improvement and development.
- 36 Clearly, however, there remains a great deal to be done across the piece to now move the organisation forward and put it firmly on the road to excellence. The ambition set out in this strategy and the accompanying action plan at Annex A will ensure the organisation is able to position itself firmly in the range of '5' to '6' over the next 3 years with a view to then moving up to excellence after 2010 when step-change improvement opportunities will be afforded by:
- a) the move to one-site operations at Hungate, and;
 - b) the realisation of medium to long term benefits of much work now in progress to modernise procurement practices at the Council through the planned use of new technologies come on stream.
- 37 Whilst a realistic assessment of what is achievable over the next 3 years, the medium term ambitions set out in the continuums are challenging and represent significant stretch targets for improvement within existing arrangements. It will therefore be vital to keep these under on-going review as the new action plan is implemented to ensure the strategy can be achieved. Key areas for action that will support progress across all service continuums will include:
- a) the development of fully worked up policy statements to establish a robust framework for procurement worked up from the principles and policy 'headlines' set out on pages 7-9 and 14 & 15 of this document respectively that is fully aligned with the future corporate strategy of the Council;

- b) fully embedding across all parts of the organisation the regulatory and compliance framework established following the review of the Constitution and adoption of new financial regulations and procurement rules in May 2006;
- c) developing overall organisational skills, knowledge and competencies through targeted training and support to departmental commissioning officers and directed work with the staff 'procurement community';
- d) reviewing the organisational management of procurement activities across the organisation in the lead up to one-site operations at Hungate to optimise the best use of scarce specialist resources in future years;
- e) developing the planned use of new technologies to support the management information needs of the organisation, promote effective contract and supplier management practices, build-in light touch monitoring arrangements to ensure compliance and promote good governance, achieve administrative efficiencies and process improvements, communicate effectively with our key stakeholders, partners, customers, suppliers and the wider community;
- f) establish a robust approach to whole life costing to support effective bid evaluation processes that enables the organisation to exercise and demonstrate balanced procurement judgements based on the whole life value of goods, services and works that fully reflect all policy considerations in the decision making process;
- g) ensure partnering, shared service and other collaboration opportunities can be fully exploited in support of the Council's overall strategic ambitions and management considerations in future years.

38 A detailed action plan setting out what will be done further to this strategy and in what time-scales is attached at Annex A. The arrangements for monitoring and reporting progress on the strategy and action plan over the next 3 years are set out on page 29 of this document.

VFM, competition & efficiency

	1 Failing	2 Poor	3 Inadequate	4 Satisfactory	5 Above average	6 Good	7 Excellent
Regulatory framework	No or incomplete regulatory infrastructure	Weak regulatory infrastructure	Infrastructure exists but not embedded	Sound infrastructure embedded & mostly observed without need for remedial action or sanction	Sound infrastructure fully embedded & observed	Sound infrastructure fully embedded & observed and regularly reviewed and updated	Sound infrastructure fully embedded & observed Regularly reviewed and updated CPA UOR judgement = 4
Compliance	Evidence of whole-scale non-compliance	Evidence of significant non-compliance	Evidence of non-compliance	Low incidence of non-compliance	Very little non-compliance	Non-compliance is the exception	Non-compliance is the exception
Vulnerability to 3rd party challenge & intervention	High risk and unlikely that any challenge could be defended	High risk and unlikely that any challenge could be defended	Medium risk and uncertainty as to whether all/any challenges could be defended	Low to medium risk but most challenges could be defended	Low risk and most challenges could be defended	Low risk but few challenges that could be confidently defended	Low risk. Challenge is the exception. Challenges can always be confidently defended
Organisational skills, knowledge & competencies	Lack of skills, knowledge and expertise across the organisation	Low level general skills, knowledge and expertise across the organisation	Limited investment in general skills staff training & development, inconsistent profile	Adequate investment in general skills staff training & development across the Council	Planned investment in general skills training that meets the needs of commissioning departments	Planned investment in general skills training that meets the current & future needs of the Council	Planned investment in general skills training that meets the current & future needs of the Council
Specialist procurement skills, knowledge & competencies	No investment in specialist procurement resources	Limited investment in specialist procurement resources that falls well short of meeting the actual service needs of the Council	Limited investment in specialist procurement resources that meets some but not all of the service needs of the organisation	Adequate investment in specialist procurement function that meets the priority service needs of the organisation most of the time	Appropriately resourced and resilient specialist procurement function that meets the current service needs of the organisation	Appropriately resourced specialist procurement function that meets the current & projected future service needs of the Council	Award winning specialist procurement function & advisory support services that is well resourced and meets the current & future needs of the Council
Strategy & policy	Lack of coherent strategy & policy framework for procurement	Weak and inconsistent strategy & policy framework for procurement	Discrete strategy & policy framework for procurement	Coherent strategy & policy framework for procurement that is linked to overall corporate strategy & plan	Coherent strategy & policy framework within overall Council strategy that supports strategic management and decision making	Coherent strategy & policy framework linked to overall corporate strategy and seen as key driver for strategic management and decision making	Coherent strategy & policy framework fully aligned to corporate strategy & plan and seen as core to strategic management practices at the Council
Whole life costing/value	No use of whole life costing/value	Little use of whole life costing/value	Some use & awareness of WLC but no coherent policy or approach	Acceptance & use of whole life costing/value as norm	Use of whole life costing/value as norm	Use of whole life costing/value as norm	Use of whole life costing/value as norm
Stimulating the market place	No attempts to stimulate the market place	Adhoc or uninformed attempts to stimulate the market place	Awareness of requirements but no capacity to support in practice	Awareness of requirements but little capacity to support in practice	Some efforts to develop market place for key categories of supplies & services within resourcing constraints	Coherent programme to develop market place for key categories of supplies & services	Market place development core to procurement and approach fully aligned with the strategic management of the Council
Innovation & new technologies	No evidence of innovative procurement solns and/or use of new technologies	Some evidence of adhoc use of innovative procurement solns and/or use of new technologies	Limited planned use of innovative procurement solns and/or use of new technologies	Planned use of innovative procurement solns and/or use of new technologies but limited in nature and scope of application	Universal use of innovative procurement solutions and use of new technologies within defined & time-bound plan	Well developed universal use of innovative procurement solns and/or use of new technologies within plan	Regarded as best practice site for innovative procurement solns and/or use of new technologies
MIS & use of performance management information	No management and performance information	Inadequate and unreliable management and performance information	Limited but reliable management and performance information	Reliable management and performance information systems used for basic monitoring and reporting purposes	Reliable MIS used to target, track and direct procurement activities in addition to standard monitoring & reporting	Reliable MIS used to target, track and direct procurement activities, inform the budget process and resource allocations	Reliable MIS used to target, track and direct procurement activities, inform the budget process and drive resource allocations

Performance Management

	1 Failing	2 Poor	3 Inadequate	4 Satisfactory	5 Above average	6 Good	7 Excellent
Management information systems	Little or no use of MIS to support performance management routines	Limited use of MIS but restricted in scope and unreliable/poor quality base data	Some use of MIS but restricted in scope and management routines not embedded	Established use of reliable MIS and related management routines but limited in scope and impact	MIS used to actively inform the roll-out of the procurement strategy and development work across the organisation	MIS used to actively inform planned spend and development agenda at the Council	MIS analysis central to the strategic decision making of the Council
Performance measures	No use of agreed performance measures for procurement	Initial review but no consistent use or agreed basket of PIs for management purposes	Agreed basket of measures but data capture, reporting and monitoring routines not embedded	Agreed basket of measures, adequate data capture arrangements and management routines in place	Basket of measures fully reflect best practice indicators agreed nationally, regularly reviewed and monitored	All as 5 along with benchmarking activities to identify areas for improvement	All as 6 & outcomes built into overall efficiency & strategic procurement programme
Monitoring and reporting	No established monitoring and reporting arrangements	Some monitoring and reporting but limited in scope and visibility	Monitoring and performance management routines established in principle but not embedded	Monitoring and performance management routines established and embedded	Monitoring and reporting routines meet all best practice requirements	Monitoring and reporting routines meet all best practice requirements and result in positive action being taken by the Council to remedy or improve current practice	Monitoring and reporting routines meet all best practice requirements and integrated into the strategic management and decision making routines of the Council
Strategy & policy	Lack of coherent strategy & policy framework for procurement	Weak and inconsistent strategy & policy framework for procurement	Discrete strategy & policy framework for procurement that incorporate performance management requirements	Coherent strategy & policy framework for procurement incorporating best practice performance management arrangements that is linked to overall corporate strategy & plan	Coherent strategy & policy framework within overall Council strategy that drives performance management needs and supports decision making	Coherent strategy, policy & integral performance management framework linked to overall corporate strategy, seen as key driver for strategic management and decision making	Coherent strategy, policy & integral performance management framework linked to overall corporate strategy, fully aligned to corporate strategy & plan and seen as core to strategic management practices at the Council
Process & innovation	Transactional and localised activity No coherent data capture or information management infrastructure	Transactional and localised activity. Weak information management infrastructure and insufficiently supported (evident technology and/or other resourcing limitations)	Some evidence that corporate and local processes have built in performance data needs	Procurement activity transacted in a way that ensures standard management and performance information can be collected across the organisation	Procurement activity transacted in a way that ensures good management and performance information can be collected across the organisation	Universal arrangements ensure comprehensive management and performance information is collected across the organisation with minimum administration	As 6. Accurate and timely performance information informs all procurement decisions and drives efficiency and improvement
Stimulating the market place	No attempts to use performance information to understand the market place	Some adhoc analysis of the market place to support discrete procurement exercises	Awareness of requirements but no capacity to support unified approach in practice	Awareness of requirements but little capacity to support unified and planned approach in practice	Some planned effort to use performance data to stimulate the market place for key categories of supplies & services within resourcing constraints	Coherent programme to develop market place for key categories of supplies & services based on sound performance data and analysis	Analysis based market place development core to procurement and approach fully aligned with the strategic management of the Council

Sustainability

	1 Failing	2 Poor	3 Inadequate	4 Satisfactory	5 Above average	6 Good	7 Excellent
Strategy & policy	The organisation does not have a procurement strategy and policy framework that considers sustainability	The organisation gives little or no consideration to sustainability issues in its procurement strategy and policy framework	The organisation gives some consideration to sustainability in its procurement strategy and policy framework	Sustainability considerations are incorporated within the overall strategy and policy framework for procurement	Sustainability considerations are fully intergated within the overall strategy and policy framework for procurement which is fully reflected in supporting working practices and processes	As 5. The strategy includes actions recommended by Sustainable Procurement Taskforce for the UK to become an EU leader on sustainable procurement by 2009	As 5 and the strategy ensures all actions recommended by Sustainable Procurement Taskforce are achieved by 2009
Organisational skills knowledge & competencies	Lack of skills, knowledge and experience of sustainability across the organisation	Low level general skills & knowledge of sustainability across the organisation	General skills & knowledge base across the Council with some local adhoc expertise	Good basic general skills and knowledge of sustainability issues in procurement across the organisation	Developed general skills, knowledge and localised specialisms according to service understanding of sustainable procurement considerations across the organisation	Developed general skills, knowledge and expertise of sustainability across the organisation supported and maintained by robust corporate procurement training plan	Well developed general skills, knowledge and expertise of sustainability across the organisation underpinned by corporate procurement training plan and seen as a best practice Council
Best practice compliance	No evidence of compliance with sustainable procurement best practice requirements	Adhoc evidence of compliance with sustainable procurement best practice requirements	No coherent approach to promoting compliance with sustainable procurement best practice requirements	Coherent approach to promoting universal compliance with sustainable procurement and evidence of some local good practice for specific schemes	Coherent approach to promoting universal compliance with sustainable procurement best practice requirements and evidence of much local good practice for specific schemes	Best practice requirements built into every procurement exercise	Seen as best practice exemplar authority
Process & Innovation	The organisation does not take account of sustainability within its standard procurement processes and documentation including T&C's	Little evidence that the organisation takes account of sustainability issues within its standard procurement processes and documentation including T&C's	Evidence that the organisation takes some account of sustainability within its standard procurement processes and documentation including T&C's	Evidence that the organisation clearly takes account of sustainability within its standard procurement processes and documentation including T&C's	Well developed approach to sustainability taken into account within the organisations standard procurement processes and documentation including T&C's to deliver desired contract outcomes	Well developed approach to sustainability within standard procurement processes and documentation including T&C's to deliver desired contract outcomes and support the delivery of overall Council objectives	Innovative and imaginative approach to sustainability within standard procurement processes and documentation including T&C's as well as consideration in WLC seen as a best practice Council
Stimulating the market place	No attempts to develop the market place for sustainable supplies & services	Some adhoc analysis of the market place to support discrete procurement exercises and promote sustainability and sustainable procurement solutions	Awareness of requirements but no capacity to support unified approach in practice	Awareness of requirements but little capacity to support unified and planned approach in practice	Some planned effort to use Council purchasing power to stimulate the market place for key categories of supplies & services within resourcing constraints	Coherent programme to develop market place for key categories of supplies & services	Analysis based market place development core to procurement and approach fully aligned with the strategic management of the Council
Whole life costing/value	No use of whole life costing/value	Little use of whole life costing/value	Some use & awareness of WLC but no coherent policy or approach	Acceptance & use of whole life costing/value as norm	Use of whole life costing/value as norm	Use of whole life costing/value as norm	Use of whole life costing/value as norm

Partnership & Collaboration

	1 Failing	2 Poor	3 Inadequate	4 Satisfactory	5 Above average	6 Good	7 Excellent
Strategy & Policy	The organisation does not have a procurement strategy and policy framework that considers the use of partnering and collaboration procurement issues and solutions	The organisation gives little or no consideration to partnering and collaboration issues in its procurement strategy and policy framework	The organisation gives some consideration to partnering and collaboration opportunities in its procurement strategy and policy framework	Partnering and collaboration considerations are incorporated within the overall strategy and policy framework for procurement	Partnering and collaboration considerations are fully intergrated within the overall strategy and policy framework for procurement which is fully reflected in supporting working practices and processes	As 5 and the approach taken actively fosters effective partnering procurement and collaboration initiatives	As 5 and the approach taken ensures all partnering and collaboration opportunities are fully exploited and help deliver the objectives of the LAA and shared service agenda
Organisational skills knowledge & competencies	Lack of skills, knowledge and experience of partnering and collaboration procurement across the organisation	Low level general skills & knowledge of partnering and collaboration procurement across the organisation	Low level general skills & knowledge of partnering and collaboration procurement across the organisation but pockets of developed specialism	Good basic general skills and knowledge of partnering and collaboration procurement issues across key services in the organisation	Developed general skills & knowledge across the organisation and localised expertise and training according to service need	Developed general skills & knowledge across the organisation supported and maintained by robust corporate procurement training plan	As 6 and seen as a best practice authority for Comprehensive Area Assessment purposes
Specialist procurement skills, knowledge & competencies	No investment in specialist procurement resources to support partnering or other collaborative procurement exercises	Limited investment in specialist procurement resources that falls well short of meeting the actual service needs of the Council	Limited investment in specialist procurement resources that meets some but not all of the service needs of the organisation	Adequate investment in specialist procurement function that meets the priority partnering needs of the organisation most of the time	Appropriately resourced and resilient specialist procurement function that meets the current partnering needs of the organisation	Appropriately resourced specialist procurement function that meets the current & projected future partnering needs of the Council	Award winning specialist procurement function & advisory support services that is well resourced and meets the current & future partnering needs of the Council
Best practice compliance	No evidence of compliance with procurement best practice requirements	Adhoc evidence of compliance with procurement best practice requirements	No coherent approach to promoting compliance with procurement best practice requirements	Coherent approach to promoting universal compliance with best practice requirements and evidence of some local good practice for specific schemes	Coherent approach to promoting universal compliance with procurement best practice requirements and evidence of much local good practice for specific schemes to deliver Council objectives	Best practice requirements built into every procurement exercise and good evidence of innovative procurement solutions to deliver Council objectives	As 6 and seen as a best practice authority for Comprehensive Area Assessment purposes
Regulatory framework	No or incomplete regulatory infrastructure that does not cover partnering & collaboration arrangements	Weak regulatory infrastructure that pays insufficient regard to partnering and collaboration	Infrastructure exists but not embedded	Sound infrastructure embedded & mostly observed without need for remedial action or sanction	Sound infrastructure fully embedded & observed	Sound infrastructure fully embedded & observed and regularly reviewed and updated	Sound infrastructure fully embedded & observed Regularly reviewed and updated CPA UOR judgement = 4
Stimulating the market place	No attempts to develop the market place through partnering or collaboration initiatives	Some adhoc use of partnering and collaboration that stimulates the market place by default rather than design	Awareness of requirements but no capacity to support unified approach in practice	Awareness of requirements but little capacity to support unified and planned approach in practice	Some planned effort to use partnering or shared purchasing power to stimulate the market place for key categories of supplies & services within resourcing constraints	Coherent programme to develop market place for key categories of supplies & services through innovative partnering and collaboration initiatives	Analysis based market place development core to procurement and approach fully aligned with the strategic management and objectives of the Council for the LAA
Whole life costing/value	No use of whole life costing/value	Little use of whole life costing/value	Some use & awareness of WLC but no coherent policy or approach	Acceptance & use of whole life costing/value as norm	Use of whole life costing/value as norm	Use of whole life costing/value as norm	Use of whole life costing/value as norm

Standards & Governance

	1 Failing	2 Poor	3 Inadequate	4 Satisfactory	5 Above average	6 Good	7 Excellent
Regulatory framework	No or incomplete regulatory infrastructure	Weak regulatory infrastructure	Infrastructure exists but not embedded	Sound infrastructure embedded & mostly observed without need for remedial action or sanction	Sound infrastructure fully embedded & observed	Sound infrastructure fully embedded & observed and regularly reviewed and updated	Sound infrastructure fully embedded & observed Regularly reviewed and updated CPA UOR judgement = 4
Compliance	Evidence of whole-scale non-compliance	Evidence of significant non-compliance	Evidence of non-compliance	Low incidence of non-compliance	Very little non-compliance	Non-compliance is the exception	Non-compliance is the exception
Vulnerability to 3rd party challenge & intervention	High risk and unlikely that any challenge could be defended	High risk and unlikely that any challenge could be defended	Medium risk and uncertainty as to whether all/any challenges could be defended	Low to medium risk but most challenges could be defended	Low risk and most challenges could be defended	Low risk but few challenges that could be confidently defended	Low risk. Challenge is the exception. Challenges can always be confidently defended
Performance & management standards	No identification of agreed standards for procurement	Initial review but no consistent use or reference to agreed standards for management purposes	Agreed standards but evidence of non-compliance and assurance routines not fully embedded and/or resourced	Agreed standards and management routines in place and corporate assurance functions fully resourced to check and report compliance	Agreed standards fully reflect national best practice and regularly reviewed and monitored	All as 5 along with benchmarking activities to identify areas for improvement	All as 6 & outcomes built into overall efficiency & strategic procurement programme
Monitoring and reporting	No established monitoring and reporting arrangements	Some monitoring and reporting but limited in scope and visibility	Monitoring and performance management routines established in principle but not embedded	Monitoring and performance management routines established and embedded	Monitoring and performance management routines established and embedded that promote accountability and result in remedial action or sanction as necessary	Monitoring and reporting routines meet all best practice requirements and result in positive action being taken by the Council to remedy and improve current practice	Monitoring and reporting routines meet all best practice requirements and integrated into the strategic management and decision making routines of the Council
Process & innovation	Transactional and localised activity No coherent management infrastructure	Transactional and localised activity Weak management infrastructure and insufficiently supported (evident technology and/or other resourcing limitations)	Some evidence that corporate and local processes have built in management standards and reflect basic governance requirements	Procurement activity transacted in a way that ensures management standards are maintained and the basic governance needs of the organisation fully observed	High standards and good governance routines built into all procurement activity without exception	Good governance arrangements foster innovation and allows the organisation to stretch its risk appetite without compromising the probity or propriety of Council activities	As 6. Authority arrangements recognised nationally as best practice
Strategy & policy	The organisation does not have a procurement strategy and policy framework that incorporates standards & governance arrangements	The organisation gives little or no consideration to standards & governance concerns as part of an overall strategy and policy framework for procurement	The organisation gives some consideration to standards & governance as part of the strategy and policy framework for procurement	Standards & governance considerations are incorporated within the overall strategy and policy framework for procurement	Standards & governance considerations are fully intergated within the overall strategy and policy framework for procurement which is fully reflected in supporting practices and processes	As 5. All standards and governance requirements for procurement are regularly monitored and reviewed by the Audit & Governance Committee	As 5. All standards and governance requirements for procurement are regularly monitored and reviewed by the Audit & Governance Committee which may direct departmental remedy and/or Executive action

Staffing & Organisation

	1 Failing	2 Poor	3 Inadequate	4 Satisfactory	5 Above average	6 Good	7 Excellent
Organisational skills, knowledge & competencies	Lack of skills, knowledge and expertise across the organisation	Low level general skills, knowledge and expertise across the organisation	Limited investment in general skills staff training & development, inconsistent profile	Adequate investment in general skills staff training & development across the Council	Planned investment in general skills training that meets the needs of commissioning departments	Planned investment in general skills training that meets the current & future needs of the Council	Planned investment in general skills training that meets the current & future needs of the Council
Specialist procurement skills, knowledge & competencies	No investment in specialist procurement resources	Limited investment in specialist procurement resources that falls well short of meeting the actual service needs of the Council	Limited investment in specialist procurement resources that meets some but not all of the service needs of the organisation	Adequate investment in specialist procurement function that meets the priority service needs of the organisation most of the time	Appropriately resourced and resilient specialist procurement function that meets the current service needs of the organisation	Appropriately resourced specialist procurement function that meets the current & projected future service needs of the Council	Award winning specialist procurement function & advisory support services that is well resourced and meets the current & future needs of the Council
Organisational management arrangements	Organisation does not understand balance of skills and experience needed to support its procurement needs or the best way in which to organise its procurement resources	Organisation recognises the need for skilled staffing resources but investment in corporate support infrastructure is limited and not aligned to organisational service needs	Organisation acknowledges need to develop balanced departmental and corporate skills profile but level of investment and overall capacity does not meet all the needs of the Council	Organisational management needs have been thoroughly reviewed in context of service needs and future development considerations	Optimum organisational management solution defined and deployed but medium to long term benefits still to realised	Optimum organisational management solution defined and deployed and successful change management process delivers benefits within agreed timescales and to budget	Optimum organisational management solution kept under review and flexibility built in to allow for change or re-alignment according to the strategic needs of the organisation
Innovation & new technology	Organisation does not use new technologies to support organisational capacity and investment in procurement resources	Organisation considers use of new technologies to support organisational capacity but investment is limited and piecemeal	Some consideration of new technologies to build capacity and organisational management needs	Planned use of new technologies to build capacity and respond to organisational management needs	Planned use of new technologies within an overall e-Government programme of works to build capacity and deliver organisational management needs	As 5 to build capacity, deliver tangible administrative efficiencies and foster the successful shared service/collaborative procurement solutions to drive out economies of scale	Fully e-compliant service using p2p, e-market place and e-tendering solutions to deliver procurement function. The Council is seen as a best practice authority
Compliance	No investment in necessary compliance and assurance functions and routines for procurement	Insufficient investment in procurement function and compromised governance arrangements and internal control environment. Unacceptable incidence of investigations, remedial action and sanctions	Some investment in support infrastructure for procurement to deliver a limited compliance function but significant incidence of investigation activities, remedial action and sanctions	Investment made allows minimum governance and assurance standards and compliance functions to be fulfilled but some incidence of investigation activities, remedial action and sanctions	Sufficient investment in coherent infrastructure but minor incidence of investigation activities, remedial action and sanctions	Governance systems minimise reactive investigation needs and allows for the re-direction of expert procurement resources to support the advisory, training and specialist procurement needs of the organisation	Effective governance arrangements maximises best use of resources and enables light touch compliance function
Training & communications	No or very few organised training events for developing staff skills, knowledge and expertise across the organisation	Few organised training events for developing staff skills, knowledge and expertise across the organisation. Training that does take place is adhoc, inconsistent and poorly targeted	Some organised training events for developing staff skills, knowledge and expertise across the organisation but patchy and inconsistent	Evidence of organised and co-ordinated staff training programme. Intranet site and procurement community established and Member Champion identified by the Council	Evidence of an established training programme ensuring all relevant staff groups understand all relevant rules and regulations with regard to delivering best practice procurement. Member training programme established.	Established training programme, mature procurement community and comprehensive web-site. Member training programme and procurement 'master classes' well regarded and attended.	Training programme extended to include external partners and stakeholders including the supplier community to promote best practice and support the needs of SMEs and local suppliers.

Equalities & Inclusion

	1 Failing	2 Poor	3 Inadequate	4 Satisfactory	5 Above average	6 Good	7 Excellent
Strategy & Policy	The organisation does not have a procurement strategy and policy framework that considers equalities & inclusion issues	The organisation gives little or no consideration to equalities & inclusion issues in its procurement strategy and policy framework	The organisation gives some consideration to equalities & inclusion issues in its procurement strategy and policy framework	Equalities considerations are incorporated within the overall strategy and working practices in such a way as to meet all legal and best practice requirements	Equalities issues are fully intergrated within the overall strategy and policy framework, aligned with the Council's overall Equalities Strategy and fully reflected in all working practices and processes	As 5. The focus on equalities encourages SMEs and others less well placed to participate in the procurement process	As 6. A programme of outreach work ensures impartial advice and support is provided to encourage active participation across the community
Organisational skills knowledge & competencies	Lack of skills, knowledge and experience of equalities across the organisation	Low level general skills & knowledge of equalities across the organisation	General skills & knowledge base across the Council with some local adhoc expertise	Thorough skills and knowledge of equalities issues in procurement across the organisation	Developed general skills, knowledge and localised specialisms according to service need	Developed general skills, knowledge and expertise of equalities across the organisation supported and maintained by robust corporate procurement training plan	Well developed general skills, knowledge and expertise of equalities across the organisation underpinned by corporate procurement training plan and seen as a best practice Council
Compliance	No evidence of compliance with all legal and best practice requirements	Most legal requirements met but adhoc evidence of compliance with best practice requirements	All legal requirements observed but no coherent approach to promoting compliance with best practice requirements across the organisation	Coherent approach to promoting universal compliance with all legal requirements and evidence of some local good practice and inclusion initiatives	Coherent approach to promoting universal compliance with all legal and best practice requirements and evidence of much local good practice for specific schemes	As 5. Best practice evident in all Council procurements and outreach work to promote equalities and inclusion across the business community as necessary	As 6. Seen as best practice exemplar authority
Process & Innovation	The organisation does not take account of equalities within its standard procurement processes and documentation including T&C's	Little evidence that the organisation takes account of equalities issues within its standard procurement processes and documentation including T&C's	Evidence that the organisation takes some account of equalities within its standard procurement processes and documentation including T&C's	Evidence that the organisation clearly takes account of equalities within its standard procurement processes and documentation including T&C's	Well developed approach to equalities within standard procurement processes and documentation including T&C's and with others to deliver desired contract outcomes	Well developed approach to equalities within standard procurement processes and documentation including T&C's to deliver desired contract outcomes, community needs and overall Council objectives	Innovative and imaginative approach taken including well developed approach to WLC. Seen as a best practice Council
Stimulating the market place	No attempts to influence the market place to promote equalities and inclusion	Some adhoc analysis of the market place to support discrete procurement exercises and promote equalities and inclusion	Awareness of requirements but no capacity to support unified approach in practice	Awareness of requirements but little capacity to support unified and planned approach in practice	Planned effort to use purchasing power to promote equalities and inclusion in the market place for key categories of supplies & services within resourcing constraints	Coherent programme to develop market place for key categories of supplies & services	Analysis based market place development core to procurement and approach fully aligned with the strategic management of the Council
Whole life costing/value	No use of whole life costing/value	Little use of whole life costing/value	Some use & awareness of WLC but no coherent policy or approach	Acceptance & use of whole life costing/value as norm	Use of whole life costing/value as norm	Use of whole life costing/value as norm	Use of whole life costing/value as norm
Regulatory framework	No or incomplete regulatory infrastructure	Weak regulatory infrastructure	Infrastructure exists but not embedded	Sound infrastructure embedded & mostly observed without need for remedial action or sanction	Sound infrastructure fully embedded & observed	Sound infrastructure fully embedded & observed and regularly reviewed and updated	Sound infrastructure fully embedded & observed Regularly reviewed and updated CPA UOR judgement = 4
Vulnerability to 3rd party challenge & intervention	High risk and unlikely that any challenge could be defended	High risk and unlikely that any challenge could be defended	Medium risk and uncertainty as to whether all/any challenges could be defended	Low to medium risk but most challenges could be defended	Low risk and most challenges could be defended	Low risk but few challenges that could be confidently defended	Low risk. Challenge is the exception. Challenges can always be confidently defended

New Technologies

	1 Failing	2 Poor	3 Inadequate	4 Satisfactory	5 Above average	6 Good	7 Excellent
Innovation & new technology	Organisation does not use new technologies to support organisational capacity and investment in procurement resources	Organisation considers use of new technologies to support organisational capacity but investment is limited and piecemeal	Some consideration of new technologies to build capacity and organisational management needs	Planned use of new technologies to build capacity and respond to organisational management needs	Planned use of technologies within an overall t-Government programme of works to build capacity and deliver organisational management needs	As 5 to build capacity, deliver tangible efficiencies and foster the successful collaborative procurement solutions to drive out economies of scale	Fully e-compliant service using p2p, e market place and e-tendering solutions to deliver procurement function. The Council is seen as a best practice authority
Strategy & Policy	The organisation does not have a procurement strategy and policy framework that considers the use of new technologies	The organisation gives little or no consideration to new technologies in its procurement strategy and policy framework	The organisation gives some consideration to new technologies in its procurement strategy and policy framework	The overall strategy shapes the use of new technologies for procurement to support organisational capability and capacity	The strategy and policy framework direct future investment in new technologies to drive service improvement and efficiency	As 5. The strategy is fully aligned with the Council's IT Strategy and ITD programme of work to deliver all t-government requirements	As 6. A programme of outreach work ensures impartial advice and support is provided to encourage active participation across the community using new technologies
Process & innovation	Transactional and localised activity. No coherent data capture or information management infrastructure	Transactional and localised activity. Weak information management infrastructure and insufficiently supported (evident technology and/or other resourcing limitations)	Some evidence that corporate and local processes have exploited available technologies to improve process management	Procurement activity makes best use of available technology efficiencies within existing organisational constraints	Procurement activity transacted in a way that ensures process efficiency, promotes accessibility and supports effective contract and supplier management practices	New technology solutions optimised, minimal manual administration, good communications, effective supplier management, transparency of process and light touch compliance routines	As 6. Opportunities for extending and improving use of new technologies kept under constant review and built into strategic management and decision making processes
Stimulating the market place	No attempts to influence the market place to support new technology developments further to the needs of the organisation	Some adhoc analysis of the market place to support discrete procurement exercises	Awareness of requirements but no capacity to support unified approach in practice	Awareness of requirements but little capacity to support unified and planned approach in practice	Planned effort to use combined purchasing power to nurture technologies within the market place for key categories of supplies & services within resourcing constraints	Coherent programme to develop market place for key categories of supplies & services	Analysis based market place development core to procurement and approach fully aligned with the strategic management of the Council
Compliance	No use of new technologies to manage compliance	Little use of new technologies to manage compliance	Use of new technologies to help inform compliance management issues within existing service and infrastructure constraints	As 3. Active consideration of how to use new technologies for light touch compliance to support the governance needs of the organisation	Council arrangements make best use of new technology solutions available in the market place within given resource constraints	An innovative programme of development is in place that forecasts future needs and informs the development of the Council's IT Strategy	As 6. Council seen as best practice authority
Specialist procurement skills, knowledge & competencies	No investment in specialist procurement resources to support the development and use of new technologies	Limited investment in specialist procurement resources that falls well short of meeting the actual service needs of the Council	Limited investment in specialist procurement resources that meets some but not all of the service needs of the organisation	Adequate investment in specialist procurement function that meets the priority service needs of the organisation most of the time	Appropriately resourced and resilient specialist procurement function that meets the current service needs of the organisation	Appropriately resourced specialist procurement function that meets the current & projected future service needs of the Council	Award winning specialist procurement function & advisory support services that is well resourced and meets the current & future needs of the Council
Management information systems	Little or no use of MIS to support procurement	Limited use of MIS but restricted in scope and unreliable systems/poor quality base data	Some use of MIS but restricted in scope and management routines not embedded	Established use of reliable MIS and related management routines but limited in scope and impact	MIS used to actively inform the roll-out of the procurement strategy and development work across the organisation	MIS used to actively inform planned spend and development agenda at the Council	MIS analysis central to the strategic decision making of the Council

Ethical Purchasing

	1 Failing	2 Poor	3 Inadequate	4 Satisfactory	5 Above average	6 Good	7 Excellent
Strategy & policy	The organisation does not have a procurement strategy and policy framework that considers ethical purchasing issues	The organisation gives little or no consideration to ethical procurement in its strategy and policy framework	The organisation gives some consideration to ethical concerns in its procurement strategy and policy framework	Ethical purchasing considerations are incorporated within the overall strategy and policy framework for procurement	Ethical considerations are fully intergrated within the overall strategy and policy framework for procurement and are fully reflected in supporting working practices and processes	As 5 and the strategy includes specific actions to develop continuous market research and understanding	As 6 and the Council is seen as best practice authority
Organisational skills knowledge & competencies	Lack of skills, knowledge and experience of ethical purchasing issues across the organisation	Low level general skills & knowledge across the organisation	General skills & knowledge base across the Council with some local adhoc expertise	Thorough general skills and knowledge across the organisation	Developed general skills, knowledge and localised specialisms according to service evident across the organisation	Developed general skills, knowledge and expertise across the organisation supported and maintained by robust corporate procurement training plan	Well developed general skills, knowledge and expertise across the organisation underpinned by corporate procurement training plan and seen as a best practice Council
Compliance	No evidence of compliance with all legal and best practice requirements	Most legal requirements met but adhoc evidence of compliance with best practice requirements	All legal requirements observed but no coherent approach to promoting compliance with best practice requirements across the organisation	Coherent approach to promoting universal compliance with all legal requirements and evidence of some local good practice	Coherent approach to promoting universal compliance with all legal and best practice requirements and evidence of much local good practice for specific schemes	As 5. Best practice evident in all Council procurements and outreach work to promote ethical trading principles across the business community as necessary	As 6. Seen as best practice exemplar authority
Process & Innovation	The organisation does not take account of ethical considerations within its standard procurement processes and documentation including T&C's	Little evidence that the organisation takes account of ethical issues within its standard procurement processes and documentation including T&C's	Evidence that the organisation takes some account of ethical issues within its standard procurement processes and documentation including T&C's	Evidence that the organisation clearly takes account of ethical issues within its standard procurement processes and documentation including T&C's	Well developed approach to ethical procurement within the organisations standard processes and documentation including T&C's to deliver desired contract outcomes	Well developed approach to ethical procurement within the organisations standard processes and documentation including T&C's to deliver desired contract outcomes and support the delivery of overall Council objectives	Innovative and imaginative approach to ethical procurement in partnership with the business community to deliver community benefits. Seen as a best practice Council
Stimulating the market place	No attempts to develop the market place for ethical supplies & services	Some adhoc analysis of the market place to support discrete procurement exercises and promote ethical considerations in the p2p cycle	Awareness of requirements but no capacity to support unified approach in practice	Awareness of requirements but little capacity to support unified and planned approach in practice	Some planned effort to use Council and partnering purchasing power to stimulate the market place for key categories of supplies & services within resourcing constraints	Coherent programme to develop market place for key categories of supplies & services	Analysis based market place development core to procurement and approach fully aligned with the strategic management of the Council
Whole life costing/value	No use of whole life costing/value	Little use of whole life costing/value	Some use & awareness of WLC but no coherent policy or approach	Acceptance & use of whole life costing/value as norm	Use of whole life costing/value as norm	Use of whole life costing/value as norm	Use of whole life costing/value as norm

Reporting & monitoring arrangements

- 39 The Executive Member for Corporate Services is responsible for recommending this strategy to the Executive for approval by Full Council. As such, the strategy forms part of the Council's Policy Framework as set out in the Constitution and hence an important part of the organisation's overall strategic management and decision making arrangements. As such it is important that progress on the implementation of the strategy and the actions set out in the Medium Term Action Plan attached as Appendix A to this document are clearly set out and rigorously maintained. The following reporting and monitoring arrangements will apply:
- a) mid-year monitoring reports will be taken to the Corporate Management Team and the Corporate Services Executive Member Advisory Panel to provide regular updates for senior management and members on progress and any areas of delay or concern in the deployment of the overall strategy;
 - b) an annual review and re-refresh of the strategy will be reported to Corporate Management Team and the Corporate Services Executive Member Advisory Panel along with a year end outturn report to ensure the strategy remains fit for purpose over the next 3 years and is properly focused on the needs of the organisation. A full revision of the strategy will take place in autumn 2009 in preparation for a change to one-site operations from 2010 onwards after the move to Hungate;
 - c) the strategy and action plan will be circulated to all chief officers and service managers who will be expected to reflect and/or include any relevant matters or actions arising in their areas of responsibility within departmental service plans;
 - d) non-compliance or major service failure will be reported to the Audit & Governance Committee for remedial action in accordance with the provisions of the Constitution, Financial Regulations & Procurement Rules.