

Board and Topic	Rec No.	Recommendations as approved by SMC on 23 October 2005	Update on Implementation of Recommendations
Resources Scrutiny Board - Sustainability & Social Responsibility in Procurement (Review Completed June 2005)	1	<p>As a result of its investigations, the board identified the following key themes that it would want to be reflected in the Corporate Procurement Strategy:</p> <ul style="list-style-type: none"> i) The board supports the use of local suppliers where possible, in order to acknowledge the importance of keeping jobs and money in the York area ii) The board wishes to highlight the need for a mixed economy of suppliers iii) The board want the use of Fair Trade products to be encouraged, particularly as the Fair Trade mark is the only one that can guarantee to the customer that goods have been fairly traded. iv) The board want ethical suppliers to be encouraged, i.e. suppliers that have policies in place regarding health and safety, trades union membership and environmental issues, although the board recognised that this may not be achievable for smaller suppliers. v) The board concluded that a cultural change was needed within the Council regarding the voluntary and third sector in order to break down internal barriers to trade. Early consultation with the voluntary and third sector is needed and tendering processes need to be simplified. vi) The board agreed that cutting costs is not incompatible with sustainable procurement. A key point is that the specification should promote and ensure compliance with the objectives of sustainable procurement vii) The board felt that the Council should use its influence in organisations of which it is a part, such as the Yorkshire Purchasing Organisation (YPO), to encourage the procurement of sustainable and Fair Trade products viii) Processes for promoting engagement with suppliers. Members were interested in how the Council's procurement procedures could facilitate the greater involvement of suppliers. It proposed that the following steps be pursued:- 	<p>These comments and concerns are being addressed through the on-going development of the CPS and other keydevelopment work now in hand to address the improvements needed at the Council in respect of procurement policy and practice across the whole organisations. Long term sickness absence and other staffing issues within the Corporate Procurement Team in 06/07 to date have delayed work on the CPS. A revised timetable for this work has been agreed with the Executive Member for Corporate Services following the recent re-structure of procurement functions within Resources. The new team will be in place from 1April 2007 and work to deliver the strategy will be prioritised with a view to reporting to Members after the May elections. In the meantime a number of the matters raised through the scrutiny review have been addressed in terms of the practical arrangements and processes used for tendering and working with suppliers, including Fair Trade arrangements, the use of pro-forma documentation, standard terms and conditions and pre qualification questionnaires to establish the financial standing and ethical credentials of potential suppliers.</p> <p>In addition the Council's financial regulations and procurement rules have been significantly revised as part of the new Constitution (including all financial thresholds and bandings) and the District Auditor has confirmed they are now consistent with what they would expect to see at a Level 4 (Excellent) authority for CPA assessment purposes.</p> <p>Other key development work now well underway includes:</p> <ul style="list-style-type: none"> a/ the preparation of a procurement manual for practitioners - this will set out the practical steps commissioning departments will need to go through in procuring supplies and services and be fully referenced to the CPS to ensure local actions and decisions are consistent with the overall policy and strategy of the organisation b/ a competition handbook - this will set out the approach to be taken to demonstrate how services are competitively tested by the organisation when making key procurement decisions in a mixed economy environment consistent with the Council's overall policy and strategy framework for procurement to be set out in the CPS.
	2	<ul style="list-style-type: none"> a. That a review of the banding procedures take place in relation to the legal and financial limits; b. That E-enabling is promoted and the number of enquiries from suppliers via the web site increased c. That an open day for potential suppliers be held as an opportunity for the Council to explain how to contract with York. Building partnerships with firms interested in contracting is especially important, as the instability of contracts was of concern to some firms whom the board spoke to. 	<p>c/ the introduction of a new Supplier Contract Management System - this system is currently being introduced and when fully operational will allow the authority to manage all Council's contracts (adverts, awards, registers, approved lists etc) through one system and provide an e-enabled interface for external suppliers to find out what contracts are up and coming, what awards have been made and to whom and how to register onto an approved list. This initiative is being taken forward as part of a regional solution in conjunction with the regional Centre of Excellence and is recognised as a best practice solution in compiling contract data, contract management and renewal and providing transparent and timely information (and system acknowledgements) to the supplier community. In the longer term, it will also allow the Council to think more strategically across the piece in terms of contract solutions, as it will highlight where and when contracts may be coming up that could generate economies of scale across authorities or indeed regionally if appropriate. Once the new SCMS system is tested and fully operational and open day event will be scheduled</p>
	3	<p>d. That contact is maintained with potential suppliers by ensuring that all enquiries are acknowledged and the system of procurement is promoted</p>	<p>d/ the development of a Strategic Procurement Programme that will sit as a discrete plan for practical management purposes within the Council's Efficiency Programme. The work to finalise the Programme is currently in hand and it is hoped this will be ready for approval by Members shortly with a view to the Programme going live from 1 April 2007.</p>

Scrutiny Comment: It is recommended that this review is signed off as the update information appears to address all of the agreed actions