

PROCUREMENT STRATEGY

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CONTENTS

<u>A. INTRODUCTION.....</u>	<u>4</u>
<u>B. OVERVIEW OF PROCUREMENT IN SALFORD AND AIMS OF THIS STRATEGY.....</u>	<u>5</u>
B1 AIMS	5
B2. VALUE FOR MONEY AND PROCUREMENT	5
B3 CORPORATE PROCUREMENT	7
B4 URBAN VISION.....	10
<u>C. THE PRINCIPLES AND OBJECTIVES OF PROCUREMENT IN SALFORD CITY COUNCIL.....</u>	<u>11</u>
C1 ENSURING VALUE IN PROCUREMENT.....	11
C2 STRATEGIC VIEW	12
C3 INNOVATION / MODERNISATION / COMMUNICATION	13
C4 TRADING POWERS	16
C5 E-PROCUREMENT.....	17
C6 TRAINING AND COACHING.....	17
C7 NETWORKS, PARTNERSHIPS AND LINKS WITH OTHER AUTHORITIES	18
C8 RISK MANAGEMENT AND PROCUREMENT POSITIONING.....	18
C9 ECOLOGICAL ISSUES AND CARBON MANAGEMENT	20
C10 SUSTAINABLE COMMUNITIES	21
C10.1 SUSTAINABLE DEVELOPMENT	21
C10.2 LOCAL PURCHASING	21
C10.3 VOLUNTARY COMMUNITY ORGANISATIONS (VCO'S)	22
C10.4 THE SALFORD EMPLOYMENT PLAN	22
C11 EQUALITY.....	24
C12 ACCOUNTABILITY	24
C13 PROBITY	24
C14 ONGOING DEVELOPMENT.....	25
<u>D. SUMMARY OF KEY PROCUREMENT OBJECTIVES</u>	<u>27</u>
D1 VALUE FOR MONEY	27
D2 MODERNISATION OF PROCUREMENT.....	28
D3 ORGANISATION AND POSITIONING OF PROCUREMENT	29
D4 RISK MANAGEMENT, CONTROLS AND PROCEDURES	30
D5 COMMUNICATION	31
D6 STAFF TRAINING AND DEVELOPMENT	32
D7 PERFORMANCE MANAGEMENT	33
D8 PARTNERSHIPS AND LINKS WITH OTHER AUTHORITIES.....	34

D9 EQUALITY, SUSTAINABILITY AND REGENERATION35

APPENDIX A37

A. Introduction

This strategy represents the council's procurement aims and objectives for the next two years. During this time there will be a major review of procurement architecture across the region, which will be the first stage in a process of realignment and modernisation. This strategy will develop as the modernisation of procurement takes place and it will incorporate changes in procurement structures, methods and techniques designed to meet the varying requirements of the council.

This document is divided into three sections:

- An overview of procurement in Salford City Council and the aims of this strategy
- The principles and objectives of procurement in Salford City Council
- Summary of key procurement objectives

As a corporate approach to procurement continues to develop within the council and across the region, the strategy will capture the most appropriate elements of best practice and will remain sufficiently flexible to respond to both internal and external change. The aims of elected members and senior managers are inherent in the strategy and it will continue to reflect the Seven Pledges of the council.

What is Procurement?

Procurement is the process of obtaining supplies, services and construction works; a process which encompasses the full life cycle of the asset or service contract. The 'life cycle' is the period from the initial definition of the business need through to the end of the useful life of the asset or service contract. Procurement has a far wider scope than 'purchasing', 'buying' or 'commissioning'. It is about securing services and products that best meet the needs of users and the local community in its widest sense.

Procurement is important because failure to purchase goods, services and works cost effectively can put the achievement of key objectives and services at risk.

Value for money in procurement can be achieved by:

- (i) Reducing the cost of purchasing and the time it takes – the processing overhead;
- (ii) Getting better value for money for the goods and services purchased and improved quality of services;

- (iii) Facilitating continuous improvement through contracting arrangements and performance monitoring;
- (iv) Improving project, contract and asset management.

This strategy provides a common framework within which all procurements by the Council are to be managed. It is supplemented by the Procurement Handbook

B. Overview of procurement in Salford and aims of this strategy

B1 Aims

Salford City Council aims to continue to develop Salford as a city of national significance where people choose to live and in which companies want to invest; a City where all citizens benefit from regeneration and have equal access to the wealth, employment and other opportunities which this brings.

Our belief is that effective procurement is fundamental to Salford as a Value for Money council. We intend to continue working in partnership with the public/private/ and third sectors as a means of achieving improved service delivery and regeneration, building upon the experiences gained to date. The central partners in everything the council does are the people of Salford. The council has, for a considerable time, seen itself as an enabler and it has a long tradition of working in partnership with others.

The aim of this strategy is therefore to promote effective procurement in order to achieve Value for Money for the people of Salford.

It aims to:

- ensure procurement helps deliver the council's strategic objectives
- ensure procurement contributes to the continuous improvement of services
- enable and encourage innovative and effective procurement.

This strategy sets out achieve this by:

- providing a single, easily accessible source of procurement information and advice
- setting out the steps we will take to ensure continuous improvement in procurement.

B2. Value for Money and Procurement

Salford City Council aims to provide services that offer Value for Money in terms of economy, efficiency and effectiveness; that are responsive to the needs of our communities; and that have the capacity to continuously improve performance.

All services will be required to review their activities and determine how, if at all, they will be delivered in future. This could mean that services will continue to be provided in-house, externally or in partnership with other service providers. Following a robust and challenging review process the council will consider all options for the future delivery of services and choose the most effective solution from a range of available methods of service delivery, including:

- the cessation of the service, in whole or in part
- the creation of a public/private partnership
- the use of joint ventures
- the transfer or externalisation of the service (with no in-house bid)
- the robust market testing of all or part of the service
- the restructuring or enhancement of the in-house service
- the renegotiation of existing contracts
- the use of public sector consortia
- the use of non-profit organisations
- the joint commissioning or delivery of the service

Consideration of all of these options will benefit from professional advice from Corporate Procurement. Further guidance on the appraisal of the various options is contained in the Procurement Handbook, which is published separately.

It is therefore important to integrate procurement expertise into the Value for Money review process to ensure a full evaluation of future service delivery options and user needs, to align procurement outcomes to those needs, and to support the Council's wider aims and objectives.

Service Reviews

Corporate Procurement will provide advice to service reviews at all stages throughout the review to assist teams to fully consider all service delivery options and to assist in challenging and assessing the competitiveness of services. Procurement expertise provided at these stages can be of use in terms of both indirect tests of competitiveness such as benchmarking, where competitiveness is assessed by reference to other bodies including Value for Money authorities with a CPA rating of 'good' or 'excellent' and private and voluntary sector providers; and direct tests of competitiveness where alternative means of providing services are explored.

All procurement will:

- encourage flexibility in developing alternative procurement and partnership arrangements,
- contribute to the Council's corporate aims and objectives,
- seek continuous improvement in the provision of services,
- be driven by desired outputs
- represent the most advantageous balance of quality and cost.

Valuing the Workforce

Value for money services cannot be delivered without a well trained and motivated workforce. This applies equally whether services are provided internally, externally or in partnership. The council will consult with employees and recognised trade unions throughout the review and subsequent procurement process, with full disclosure of information on all matters affecting the workforce. All procurement will be carried out in accordance with ODPM Circular 02/2003 and the accompanying *Code of Practice on Workforce Matters in Local Authority Service Contracts*, and the Code of Practice will form part of the service specification and contract conditions for all service contracts.

The council believes that there is no conflict between good employment practice, value for money and quality of service. The council will examine potential partners' past record in respect of the treatment of transferred staff. Employment practices, equalities and social inclusion issues, health and safety, and training and development of staff will be taken into account in the procurement of services. The recognised trade unions will be encouraged to provide any evidence they have in relation to these and any other relevant workforce matters.

Further guidance on fair employment and the involvement of the workforce and trade unions is contained in the Procurement Handbook.

B3 Corporate Procurement

Corporate Procurement provides specified services in relation to its corporate wide procurement activities which are undertaken on behalf of all directorates. Additional discretionary services may be provided where an individual Directorate has its own particular procurement requirements.

An important aspect of the work of Corporate Procurement is the development of modern techniques and the implementation of modern tools and methods. e-Commerce has become the standard operating practice for most elements of the supply chain. Within the next 18 to 24 months and the Council will need to take an informed view to ensure it can maximise the available benefits.

Corporate Procurement and the Seven Pledges

Procurement activity will continue to be clearly aligned with Salford City Council's aims and objectives and will be measured against the social, economic and environmental well being of the City. Procurement arrangements will match the evolving needs of the Council.

Corporate Procurement and Planning

Corporate Procurement will continue to ensure all Directorates produce an effective and accurate procurement plan, on at least annual basis, which will contribute towards the Council's Corporate Procurement plan. This will be used to avoid duplication of effort and to ensure a co-ordinated approach to procurement.

Corporate Procurement and Value for Money

Corporate Procurement will challenge existing methods of service provision and will consider alternatives such as partnerships, joint purchasing, frameworks and external provision. Internal provision will also be considered where this is efficient and cost effective.

Corporate Procurement will continue to ensure a corporate approach to the acquisition of goods and services by aggregated requirements and the use of consortia.

The Gateway Review Process has been introduced into all major procurement projects as a standard procedure. Similarly, risk assessment and risk management will be integrated into contractual arrangements and processes and will form an integral element of the assessment process, which will also include quality, whole life costs and the requirements of the end users.

Corporate Procurement and Continuous Improvement

Contracts, partnerships and other procurement arrangements will include monitoring and benchmarking throughout their period of operation and the views of service users will be included in this. Where services are provided internally they will still be subject to challenge and review.

Corporate Procurement and e-Government

Corporate Procurement will work towards the introduction of automated electronic systems into the procurement process. The aim is to streamline the processes and make them less time consuming for procurement professionals and to make the purchase of goods and services easier for the end user.

Corporate Procurement will continue to work with The Skills and Work Commissioning Unit and Business Funding and to ensure local companies and voluntary and community organisations are aware of developments and of what will be required to compete for business effectively. This will include fully developed website information.

Corporate Procurement and Empowerment

Corporate Procurement will continue to ensure that all relevant information and guidance notes are available on the Council's intranet. This will include standard procurement documentation.

Corporate Procurement will provide advice and guidance to departments to ensure that local staff engaged in procurement projects can employ best practice and achieve Value for Money. In cases where departments do not have the resources to conduct their own tenders, Corporate Procurement will do so on their behalf.

Corporate Procurement and Staff Development

Corporate Procurement will have a wide range of range of expertise, which will be reinforced by performance monitoring and appraisal and an effective training plan. They will be client focused and be concerned with the outcome of a procurement from their client's point of view.

Staff involved in procurement or contract management throughout the Council will have access to briefings and information to ensure they reach an appropriate level of core competencies to enable them to work with the optimum effect.

Corporate Procurement and the Environment

All procurement projects will include environmental considerations in their specifications and assessment criteria and officers will consider the effect of their decisions on the local and world environment. This includes consideration of the environmental policies of the tenderers themselves and environmental considerations will be included in the monitoring criteria of contractors and partners.

Corporate Procurement and Employment

Corporate Procurement will work with Business Funding to assist with the development of local employers to enable them to compete effectively for business with Salford City Council and other local authorities.

Corporate Procurement will also actively promote Salford City Council's Local Employment and Training Policy, Salford Employment Charter, and the Salford Construction Partnership to encourage contractors and partners to work together to maximize the availability of employment and training opportunities for the benefit of Salford residents.

Corporate Procurement will also seek to ensure that all the contractors to and partners of the Council provide adequate policies that endorse and promote employment legislation that combats discrimination and encourages equal opportunities and diversity in the workplace. .

Corporate Procurement and Communication

Corporate Procurement will continue to ensure that all departments are aware of developments in procurement and have access to essential documents and information. This will include the Forward plan of Key Decisions, intranet information and the Council's website.

Officers involved with procurement will be required to attend a procurement forum for the exchange of views and the dissemination of information. Corporate Procurement will employ and encourage a variety of focus groups and consultation with service users and, where appropriate, members of the community.

Corporate Procurement will regularly report to the member champion for procurement and the Customer and Support Services Lead Member Briefing as a matter of course and will also report to Cabinet and the appropriate scrutiny committees as required on all relevant procurement matters.

B4 Urban Vision

Urban Vision is a joint venture company established by the Council and two partner companies (one of whom is a leading shareholder). Urban Vision acts on behalf of the Council to deliver the corporate objectives of establishing framework and collaborative contracts with suppliers within the capital programme and supporting the government led Rethinking Construction agenda.

Other partnerships have been developed and it is anticipated that the process can be used for other framework arrangement or partnership requirements of the council. However, in all cases the application of the best practice principles of supplier management will be applied.

In such cases Corporate Procurement will provide support and will also facilitate links with other, similar organizations.

C. The principles and objectives of procurement in Salford City Council

C1 Ensuring value in procurement

In order to support the overall aim of achieving and maintaining Value for Money in the provision of goods, services and works to the city council, the procurement functions will:

- (a) Integrate Corporate Procurement in management and service reviews from the first stage.
- (b) Develop internal and external performance measures based upon positive outcomes and results.
- (c) Maintain a commitment to continuous improvement.
- (d) Minimise administrative and monitoring costs in the establishment and management of contracts and services.
- (e) Draw up a project plan at the beginning of each procurement exercise, setting out all the strands of work, methodology and time for completion. This will incorporate the principles of the Gateway Review Process.
- (f) Carry out a procurement risk assessment at the beginning of each procurement exercise.
- (g) Maintain an unbiased approach to the renewal of contracts and the identification of requirements and consider all options for the provision of the required goods, service or works.
- (h) Ensure that, wherever possible, specifications are not restrictive and are based upon the anticipated outcome / output of the contract.
- (i) Ensure that the specification includes a properly aggregated requirement for the whole Council and any partner authorities or organisations.
- (j) Ensure that the specification and/or conditions of the tender/contract allow scope for incentivisation (at least shared risk/reward) and that procurement staff are proactive in the development of this.
- (k) Ensure that the specifications reflect the Council's desire for excellence in Health and Safety issues.
- (l) Encourage competition and the development of potential suppliers. This will include a published prospectus and procurement plan.

- (m) Encourage suppliers to offer creative solutions and added value to requirements.
- (n) Award contracts on criteria which emphasise Value for Money for money and whole life costs rather than lowest price.
- (o) Once contracts are awarded, the relationship with the contractor will be managed as well as more traditional issues of contract management to ensure optimum service provision and continuous improvement. This is to include development of the supply chain and joint work to reduce costs and improve efficiencies.

C2 Strategic view

Strategic procurement is the process of integrating procurement best practice into the strategic decision making of the council and a key aim of this strategy is to encourage all directorates to maintain a strategic view of procurement which supports the principles of the Gershon efficiency review.

Compliance with strategic aims and with Council and European regulations and procedures will be monitored by Corporate Procurement. Each Directorate has identified an officer responsible for procurement and the production of a Directorate procurement plan which supports the Corporate Procurement Strategy.

Consequently, Directorates are required to:

- Develop a directorate procurement strategy and annual procurement plan (which should be linked directly with the directorate's service plan), both of which are to be submitted to Corporate Procurement for scrutiny.
- Assist with the implementation of purchasing initiatives and policies.
- Comply fully with council, United Kingdom and European Union procurement policies and regulations.
- Provide accurate information on the demand for / usage of particular goods or services and associated levels of expenditure.
- Provide detailed technical information as necessary for preparation of specifications and the conduct of contract negotiations.
- Execute all required actions in support of the establishment of contracts within agreed time scales.
- Maintain control over expenditure on goods and services ensuring that this remains within the approved budget.
- Provide statistical information in support of benchmarking exercises.
- Provide information in response to requests from government and other organisations outside the council, within specified time scales.
- Regularly attend liaison / consultation meetings.

This strategy identifies the necessary actions Corporate Procurement will take to achieve the council's aims and objectives. In order to assist these two bodies will be established:

The Procurement Board

The high level overview of the council's procurement effort will be undertaken by the Procurement Board. It is generally concerned with:

- The adoption, implementation and regular review of the Procurement Strategy, ensuring that it is aligned with, and supports, the council's corporate objectives.
- Making key decisions in the procurement process for major projects and monitoring their progress.
- Evaluating new models of service delivery.
- Interpreting national trends/initiatives in procurement practices.

The Board will report to the Customer and Support Services Scrutiny Committee on at least a quarterly basis.

C2.1 I.T. Purchases

Desktop and laptop computers and peripheral equipment is available from a variety of suppliers at competitive prices. ICT Services will provide equipment specifications for use by Directorates which will identify the minimum technical requirements and end users will then order directly from the appropriate contractor (see 'Report IT, Request IT on the intranet site).

Note that, following the implementation of Enterprise XP and the print strategy, purchase of I.T. equipment is strictly controlled and should be confirmed by ICT Services or Corporate Procurement.

C3 Innovation / Modernisation / Communication

As part of this strategy the development of procurement within the council will continue and it will be structured and located to produce the optimum benefit. It is acknowledged that internal and external 'customers' will need to contribute to the development of procurement and to be kept informed of developments and changes. The table below identifies examples of which groups relate primarily to particular aspects of the function.

Procurement Service	Main Customers
Corporate Procurement Strategy development and implementation	Elected members Strategic Managers Chief Officers

Procurement Service	Main Customers
Environmental Procurement Policy and Strategy development and implementation	Elected Members Strategic Managers Chief Officers Sustainability Group Recycling Commission
Advice, assistance and guidance from specialist internal resources on: <ul style="list-style-type: none"> • procurement • legal issues • financial issues • budgetary advice 	Elected Members Strategic Managers Chief officers Heads of Service Managers Procurement Officers
Training	Elected Members Strategic Managers Chief officers Heads of Service Managers Procurement Officers Technical Staff
e-Procurement and e-sourcing	Council Directorates
Supplier Appraisal	Heads of Service Managers Procurement Officers Technical Staff
Tender / Quotation packages and exercises	Heads of Service Managers Procurement Officers Technical Staff
Project / Contract Management	Heads of Service Managers Procurement Officers Technical Staff

Procurement Service	Main Customers
Guidance on doing business with the Council	Potential suppliers to the Council
Debriefing	Potential suppliers to the Council
Supplier Development	Existing and potential suppliers to the Council

Input from these groups will be achieved via surveys, focus groups and user groups as well as interviews, debriefing and contract monitoring as part of the normal procurement process.

Effective communication between directorates and disciplines is essential to the success of a co-ordinated, strategic approach to procurement. Currently the Procurement Officers' Group is the key communications medium for procurement issues (see Strategic View, above). In order to ensure that information is distributed to all the relevant staff, the council's intranet will be used as an information source on procurement and related matters. Links with end users of goods and services are already established; focus groups and user groups meet regularly and have become valuable channels for feedback.

Corporate Procurement is the single corporate source for procurement advice and use of the intranet will greatly assist in this role. However, this is only accessible to officers and Elected Members. In order to encourage input from actual or potential suppliers and contractors to the council, Corporate Procurement will further develop the use of the council's internet site as a means of obtaining views on procurement issues and also to provide standard advisory information on how to do business with the council.

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- Standard procurement documentation will be extended and made available on the Council's intranet.
- E-Procurement options will be regularly reviewed.
- Contract and Procurement Rules will be published and will continue to be updated as circumstances and markets change.
- The Council's Constitution will be revised as appropriate to incorporate innovations and developments in the procurement process.

C4 Trading Powers

Since September 2003 Value for Money authorities with a CPA rating of excellent, good or fair have been able to establish trading arms in function related activities. This would follow a programme of analysis and research, including risk analysis, and the preparation of a business case and business plan. The trading arm should:

- extend and improve the range of services authorities offer and stimulate the market
- contribute towards Value for Money in the related function
- be able to trade at a profit

Trading with a wider range of organizations should increase the scope for partnerships and provide business opportunities for the private sector.

Where and when circumstances permit, the Council will seek to strengthen the capacity to trade in service areas which demonstrate the potential for development on a commercial basis

C5 e-Procurement

“e-Procurement” describes the use of an electronic system to acquire and pay for goods, works and services from suppliers. The council is in the process of implementing e-Procurement solutions which support the Council’s corporate objectives. The e-procurement system is

instrumental in delivering this Procurement Strategy. However, the council’s concept of e-procurement includes a variety of solutions currently available and will incorporate:

- Procurement tools which are relatively easy to implement and can be adopted without impinging on other e-procurement elements or areas of activity. These include e-quotations, e-tendering and e-auctions.
- Integrated systems which link directly with other automated systems and/or replace manual systems. These include an online catalogue and ordering system, e-market places; purchase cards, electronic invoicing/BACS and contract management systems.
- The provision of information for internal and external customers using the existing I.T. infrastructure and which has little impact on extant systems. This includes internet content such as advice on how to do business with the city council and the Procurement Plan and intranet content which will include the Procurement Strategy, a procurement manual, standard documents and procurement briefing notes.

An options appraisal exercise will be undertaken along with a cost benefits analysis to determine which options to adopt and in what order. Each preferred option will be supported by a business case.

Supplier adoption is demanding, but the benefits include the elimination of paper based systems, stationery, postage and time delays. There are distinct advantages to small firms doing business electronically with the council, but they may be slow to adapt. Small firms must be considered when implementing the chosen solutions and methods must be considered which ensure small companies can trade electronically with the council.

C6 Training and Coaching

We will continue to ensure that there are sufficient staff in key areas who are suitably trained and qualified to provide the necessary professional expertise to support the modernisation programme and the development of innovative procurement methods. A skills audit and training needs analysis will continue to be undertaken and a skills framework has been produced which identifies skills shortages. The procurement training and development plan allocates training resources to be delivered by external sources (leading to appropriate professional qualifications) and internally to ensure a minimum standard of awareness of procurement methods, techniques and regulations. The strengthened capacity of the procurement elements will allow for:

- market analysis
- the selection and management of the most effective suppliers
- the development and management of new forms or procurement

Information relating to procurement will be published on the council's intranet. This will include guidance notes as well as information on procedures and regulations and contract information. This will be supplemented by the work of the Procurement Officers' Group as the main communication channel.

C7 Networks, partnerships and links with other authorities

In the new public sector procurement environment it is often more beneficial for authorities to work together in consortia or networks where they can:

- Develop centres of procurement and project management excellence.
- Share best practices in procurement and project management.
- Support smaller authorities (possibly without procurement resources of their own) by providing procurement advice
- Promote collaborative procurement where this could lead to improved value for money
- Streamline and co-ordinate pre-qualification procedures
- Gather market intelligence
- Marshall and publicise information on bidding opportunities

In order to continue with this work and to further its development

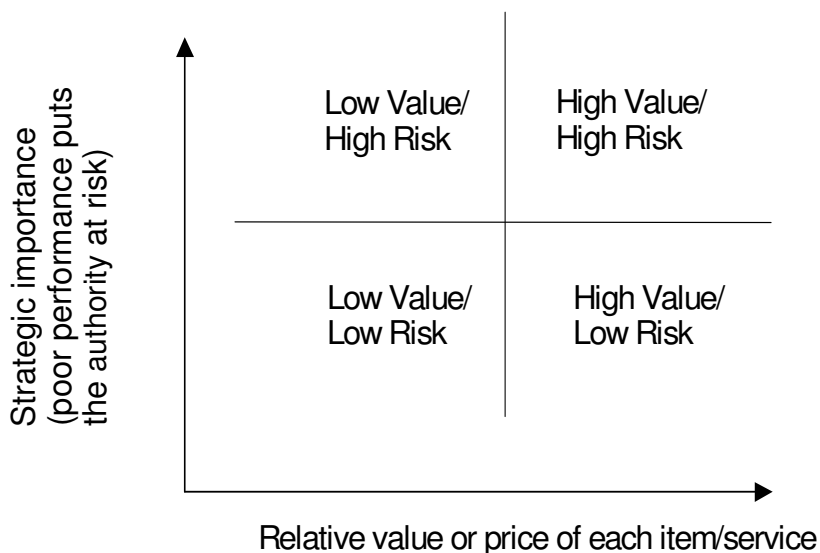
- (a) Joint procurement arrangements with other authorities will be expanded where benefits can be obtained.
- (b) Benchmarking and best practice will be further developed and more private organisations encouraged to participate
- (c) Work with the North West e-Government Group will continue and be further developed.
- (d) We will work closely with the AGMA PA Procurement Hub

C8 Risk Management and Procurement Positioning

All staff involved in procurement will need to assess the risk involved when changing service providers and suppliers or engaging in new projects. This will need to be considered in respect to both cost and service level and these factors must be paramount when choosing a particular procurement option. Risk assessment should be carried out at least when:

- Alternatives to existing service provision are being evaluated following a Value for Money review.
- During the procurement planning stage.
- Whenever a major procurement change is proposed.
- Whenever a change in the procurement process or methods is proposed.

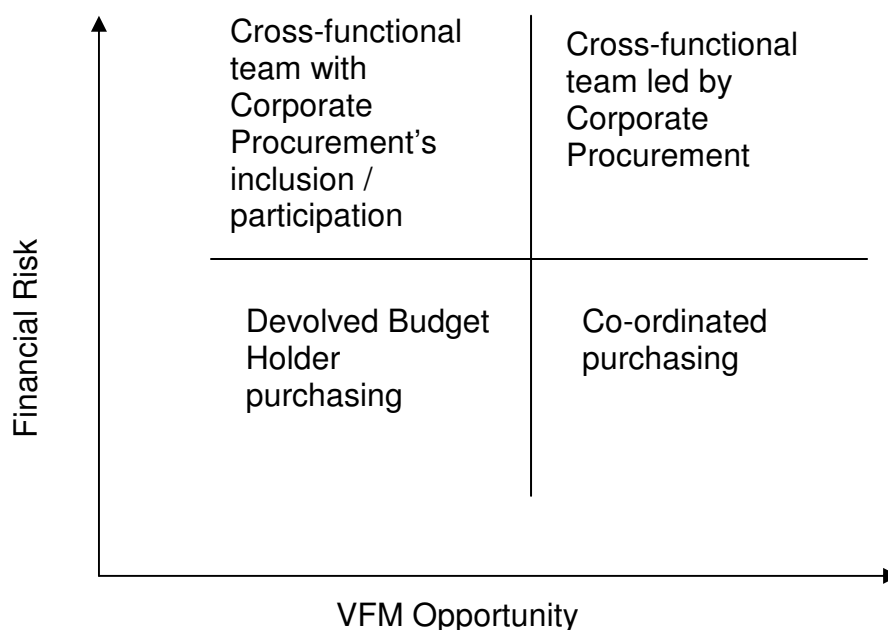
The area of greatest concern can be seen on the matrix below:



The high value/high risk area is will be the main focus of attention with the other high risk and high value areas proportionally less. Good and services which fall into these categories will be assessed carefully when alternatives are being considered.

Management of risk involves having processes in place to monitor risks, access to reliable, up-to-date information about risks, an appropriate level of control in place to deal with those risks and decision making processes supported by a framework of risk analysis and evaluation. Risks must be managed in an integrated way.

Generally, the corresponding procurement effort would be apportioned as follows:



In order to achieve the optimum benefit from professional procurement activity, procurement processes will be mapped and resources allocated where they will have the greatest impact. This will be assessed by Corporate Procurement using the information gained from the skills frameworks (see C6 Training),

- Determine what jobs and structures are needed.
- Produce job descriptions and person specifications.
- Negotiate with other councils and external consultants in relation to them undertaking aspects of these functions.

C9 Ecological Issues and Carbon Management

The council recognizes the need to carry out procurement activities in an environmentally responsible manner and will, therefore:

- Comply with all relevant environmental legislation and the Council's carbon management policies and initiatives.
- Encourage contractors and suppliers to investigate and develop environmentally friendly procedures and products.
- Ensure that suppliers' environmental policies are considered during the tender evaluation process.
- Ensure that, where appropriate, environmental criteria are used in the award of contracts.
- Wherever possible and wherever practicable, specify the use of environmentally friendly materials and products.
- Ensure that all specifications include the facility for potential suppliers to offer prices for environmentally friendly alternatives.
- Ensure that proper consideration is given to the viability of environmentally friendly alternatives

In all cases, the criteria applied will comply with the council's Environmental Procurement Policy (see Section D).

C10 Sustainable Communities

The council recognises the positive impact that the business community has on the city in terms of generating economic wealth for employees and residents alike. However it is also keen to encourage as many businesses as possible to be aware of their social and environmental impact on Salford and how they can contribute to the city's sustainable development.

C10.1 Sustainable Development

The council will consider the impact on local communities of procurement decisions for the delivery of services and will investigate new ways to carry out its functions which will enhance the local environment and promote social inclusion.

Corporate Procurement will work with The Skills and Work Commissioning Unit and Business Funding to raise the profile/s of those furthest from the labour market to show companies the benefit of a wide and open recruitment policy. We need to work collaboratively to find innovative ways to promote vacancies to Salford residents and engage with those that are furthest away from the labour market and new employers in Salford should be encouraged to recruit locally.

Salford City Council is committed to supporting the principles of Value for Money in the delivery of its services (Local Government Act 2000). To meet this requirement and to ensure local residents play a full and active part in their city, it is the intention of Salford City Council to ensure that every opportunity is captured to meet the themes outlined within the Community Plan.

C10.2 Local purchasing

The council's portfolio of contracts for goods, services and works covers a wide range of requirements and local, Salford based suppliers already account for a significant level of expenditure through these contracts, both corporate and directorate. These are not necessarily small value contracts, nor are local firms necessarily small traders.

The council recognises its responsibilities to local communities including promoting local economic development and has signed up to the Office of Government Commerce Small Business Friendly Concordat. Local business should be able to compete for work alongside contractors from outside the area and the council will encourage them in doing this by:

- Revising the information on doing business with the council.
- Publishing details of forthcoming bidding opportunities and contact details for each contract on the council's and the regional website.
- Invite local companies to register an expression of interest in supplying certain services to the Council in order to alert them of any future tenders that maybe of interest to them.
- Have policies in place for choosing publications in which to advertise to encourage greater diversity and competition.
- Increase the level of contact with local companies by working in liaison with organizations such as Business Link and other public sector bodies to sponsor and support 'meet the buyer' events and development seminars.
- Work with companies to enable them to compete more effectively in securing work from the council.
- Where appropriate, consider the division of requirements into lots under £30,000 in value to enable local companies to compete more effectively, individually or in consortia and using their own documentation to tender.

C10.3 Voluntary Community Organisations (VCO's)

The city council recognizes the ability of VCO's to provide valuable and effective services which represent Value for Money and will seek their early involvement in projects. A voluntary sector concordat has been

developed by the city council and is being implemented. In addition to the measures noted in section C10.2, above, the City council will:

- Inform VCO's about other organisations which can help them.
- Work to develop VCO's.
- Encourage the early involvement of VCO's when planning new policies and programmes.
- Where appropriate, consider the division of requirements into lots under £30,000 in value to enable local companies to compete more effectively, individually or in consortia and using their own documentation to tender.

C10.4 The Salford Employment Plan

The Salford Employment Plan which was launched in September 2002 provides a single, clear, five year action plan to give focus and strategic direction to what needs to happen in Salford in order to maintain a healthy labour market, in which local activities aimed at promoting employability are targeted and co-coordinated in partnership, for maximum impact.

The Salford Employment Plan is a partnership document that provides a strategic framework for a holistic and joined up approach to employability. The Employment Plan sets realistic, measurable and stretching objectives and targets towards which local partners can work collaboratively. The plan is also linked to other local strategies such as, the Greater Manchester Economic Development Plan, the Greater Manchester LSC Strategic Plan, the Regional Economic Strategy, Salford City Council's Economic Development Strategy and the Salford Partnership Community Plan.

Underpinning Theme 3 of the Economic Development Strategy and the Salford Employment Plan are the following 3 Key Strategic Objectives as outlined in the Salford Employment and Skills Action Plan:

- SO1 - Increase the economic activity rates amongst target groups who are furthest from the labour market
- SO2 – Effectively engage with local employers in order to recruit and train the local workforce
- SO3 - Improve the basic and employability skills of residents who are employed or those that are economically inactive

The Council also recognises the responsibility it has in assisting industry to meet the challenges posed by nationally recognised skill shortages and to capture every opportunity to achieve the aims and objectives set out in the Salford Community Plan, in particular the pledges made to the people of Salford.

As a City Council, Salford is required to provide Value for Money in the delivery of its services (Local Government Act 2000). To achieve this requirement and to ensure that the residents play a full and active part in the process of regenerating their City, it is the intention of the Council to ensure that every opportunity is taken to capture employment and training opportunities generated through the procurement process.

At the tendering stage companies will be required to set out clearly how they intend to assist the council to achieve pledge 6

“Creating Prosperity in the City”

- Promoting the city as a location of choice for people and investment
- Supporting businesses and maximising employment opportunities
- Maximising public and private investment to regenerate the city
- Helping people to overcome the barriers to employment and improving basic skills
- Maintaining a high quality workforce to drive the prosperity of the city

C11 Equality

The council is committed to eliminating both direct and indirect discrimination. Within the resources available to it, the council will provide appropriate, sensitive and accessible services. It will not discriminate on the grounds of age, colour, disability, ethnic origin, gender, sexuality, or on any other unjustifiable grounds. A specific section of the pre-qualification questionnaire has been designed to ensure all tenderers satisfy these criteria and contractors who are appointed for the provision of goods, services or works will have to comply with them.

The council will continue to ensure that where it funds services or projects in partnership with outside bodies this policy will be used to promote equal opportunities in services which those bodies provide through partnership agreements.

C12 Accountability

Recommendations for the appointment of a contractor or supplier to the Council must be made through the forward planning process and these may be subject to individual scrutiny by elected members and chief officers. Officers engaged in quotation or tendering exercises are required to keep written records of the process and also furnish supporting written information when seeking acceptance of an offer.

C13 Probity

Controls within the financial processes not only help the prevention of fraud but also protect the individuals concerned against allegations of fraud and misappropriation. It is important when referring to these processes to consider the following:

- all managers have a duty to ensure that systems are in place to prevent fraud
- managers and staff should be aware that they have a duty to behave honestly and in a trustworthy manner
- all staff have a fiduciary responsibility, which means that they are all, individually and collectively, responsible for the safe and proper arrangements of the public purse
- all employees have a role to play in maintaining the standards which the public is entitled to expect of officers of the Council

C14 Ongoing Development

The overall aim of this strategy is to develop an ethos of continuous improvement and modernization throughout all areas of procurement within the council. The relevant recommendations of the Byatt Report and the National Procurement Strategy for Local Government will be incorporated into methods and procedures and innovation will be encouraged. Just as external opportunities for joint working and benchmarking will be exploited, so internal systems and procedures will need to be examined to ensure optimum efficiency is achieved.

A summary of key objectives and performance indicators is contained in section D and work is in hand nationally to develop a set of key skills for all officers and elected members involved in the procurement process. This will be incorporated into the staff development objectives and will underpin the programme of modernization and the reinforcement of professionalis

D. Summary of Key Procurement Objectives

Note: This will be continually updated throughout the year.

D1 Value for Money		
Key Objective		
To support the overall aim of achieving and maintaining value for money in the provision of council services by considering all options for service delivery and make the best choice based on a robust and challenging process.		
Issue	Action	Performance Indicator
<p>Service reviews and the provision of services by outside providers may not involve best practice or incorporate a detached, procurement based assessment.</p> <p>Value for Money reviews rarely include involvement of trained, professional procurement staff.</p>	<p>Ensure procurement contributes to the continuous improvement of services. This will also involve an assessment of existing internal processes to optimise the potential for improvement.</p> <p>Integrate Corporate Procurement in Value for Money reviews and fundamental service reviews from the first stage.</p>	<p>Whenever service provision is to be reviewed or a contract renewed principles of procurement best practice are integrated into the decision making process.</p> <p>Corporate Procurement is integrated into all Value for Money reviews and fundamental service reviews either directly or on a consultancy basis.</p>
Link to Council's Corporate Aims and Objectives		
The inclusion of procurement criteria and methods in Value for Money reviews should led to even greater improvements in services which will support both the local economy an the environment.		

D2 Modernisation of Procurement		
Key Objective		
To continue modernisation process and develop a more proactive approach to procurement and also increase the ability to adopt new ideas. This should allow a rapid response to changes in the market place and the requirements of the council.		
Issue	Action	Performance Indicator
<p>Although effective in the 'tactical acquisition' area of procurement, the council needs to develop a more modern approach which more easily accommodates the changing nature of the supply chain and allows long term partnerships to be developed.</p> <p>The adoption of modern procurement tools will free up expertise from the more mundane tasks for use in these more complex aspects. This will include the increased use of e-auctions, dynamic purchasing solutions etc.</p>	<p>Procurement will be innovative and evaluate new approaches to the provision of goods, services and works.</p> <p>Encourage suppliers to offer creative solutions and added value to requirements.</p> <p>Encourage competition and the development of potential suppliers including SME's, Third Sector Enterprises and BME businesses.</p> <p>Expansion of the use of purchasing cards will continue.</p> <p>The range of standard procurement documentation which is available on the intranet will be extended.</p> <p>Intranet and internet access to catalogues of contracted goods and services will be expanded.</p> <p>e-Procurement solutions will continue to be evaluated and available options considered. This will involve liaison with the AGMA group of authorities and the RIEP.</p>	<p>Generally smoother supply and service provision with increased benefits for the council at optimum cost.</p> <p>Series of business forums will encourage local companies to be creative in identifying potential added value to their offering. These forums will also address tender/quotation procedures for a number of public sector organisations.</p>
Link to Council's Corporate Aims and Objectives		
The increased interest in doing business with the Council will affect many areas of the council's aims and objectives. The potential to increase the sophistication of service providers and encourage the development of companies located in Salford should not only benefit the local economy and the provision of services, but also improve the environment and quality of life for Salford residents.		

D3 Organisation and Positioning of Procurement		
Key Objective		
To examine the procurement processes and requirements at a corporate level and allow for the deployment of professional procurement expertise where it can be of most benefit to the council and its services.		
Issue	Action	Performance Indicator
The structure and focus of procurement in the council needs to continue to be realigned to allow the best use to be made of a valuable resource of expertise both internally and in support of other authorities on collaborative projects.	<p>Continue the promotion of a strategic view of procurement throughout all council directorates.</p> <p>Improve co-ordination between directorates and a more cohesive approach to procurement exercises. This will be supported by the Spendpro spend analysis tool.</p> <p>Procurement processes will be mapped and resources allocated where they will have the greatest impact.</p> <p>Directorates will continue to develop and refine their procurement strategies and procurement plans (linked directly with the directorate's service plan) which support the Procurement Strategy. They will be aided in this by the outstationed procurement teams and the procurement coaches.</p>	<p>Greater economies of scale through properly co-ordinated procurement and a higher degree of uniformity in requirements and specifications.</p> <p>A smaller core of main suppliers and contractors and the elimination of fragmented procurement effort.</p> <p>A series of longer term, flexible contracts and partnerships which will benefit the council and the citizens of Salford.</p> <p>Through better management of the supply chain the development of the local economy will become a major priority. Local companies will be actively encouraged to tender for appropriate levels of business.</p> <p>Commitment to the amalgamated /AGMA Procurement Group and its continued development.</p> <p>Continued liaison with the RIEP.</p>
Link to Council's Corporate Aims and Objectives		
The most obvious benefit will be an overall reduction in both price of goods and services and their acquisition cost and an increase in quality and fitness for purpose. This should affect all aspects of the council's aims and objectives.		

D4 Risk Management, Controls and Procedures		
Key Objective		
To reduce or eliminate the element of risk inherent in any procurement activity and encourage effective relationships between the council and its suppliers and contractors.		
Issue	Action	Performance Indicator
There is an inherent danger of contracts and other procurement arrangements breaking down because of a lack of risk assessment during the procurement process and throughout the contract monitoring period.	<p>Assessment and management of procurement risk will become an integral part of the procurement process.</p> <p>Risk assessment is integrated into the procurement process and should be carried out at least when:</p> <ul style="list-style-type: none"> • Alternatives to existing service provision are being evaluated following a Value for Money review. • During tender evaluation. • Whenever a major procurement change is proposed. • Whenever a change in the procurement process or methods is proposed. <p>Procedures for evaluating and monitoring the financial strength of partners and contractors will be enhanced to accommodate new and developing organisations more easily.</p> <p>Procedures for evaluating and monitoring the Health and Safety practises and procedures of partners and contractors will be enhanced to accommodate new and developing organisations more easily.</p> <p>Contractors will be encouraged to adopt an open book approach in complex or long term contracts.</p> <p>Minimise administrative and monitoring costs in the establishment and management of contracts and services.</p> <p>The Contractual Standing Orders will continue to be reviewed and updated as circumstances and markets change.</p>	<p>The elimination of disadvantageous contractual arrangements.</p> <p>The elimination of unforeseen breakdowns in contracts or supply arrangements.</p>
Link to Council's Corporate Aims and Objectives		
The stable provision of supplies, services and works to the council and effective partnerships with contractors should provide a sound base upon which the council can pursue its aims and objectives without concern for logistical or contractual failures.		

D5 Communication		
Key Objective		
To ensure effective communication throughout the council and with existing and potential contractors and suppliers.		
Issue	Action	Performance Indicator
<p>It is important that relevant information on all aspects of procurement reaches the appropriate staff.</p> <p>It is essential that the actual requirements of end users and specifiers are taken into account when entering into a procurement exercise and that their views are taken into account during the monitoring of contracts.</p> <p>In order to encourage new potential suppliers and contractors to the council (including third sector) we should make information freely available to explain our requirements and procedures to them.</p>	<p>Procurement procedures, information and catalogues will be reviewed and updated.</p> <p>Existing links with end users of goods and services will be maintained and new links developed. This will include published information, user groups and easy feedback systems.</p> <p>Feedback from the main client groups and suppliers / contractors will continue to be encouraged via surveys, focus groups and user groups as well as interviews, debriefing and contract monitoring as part of the normal procurement process.</p>	<p>All relevant staff are aware of developments in procurement and have access and have knowledge of all council procurement regulations and processes.</p> <p>High levels of satisfaction with the goods, services and works provided to the council.</p> <p>A wider range and increased number of potential suppliers and contractors to bid for council business. The increased competition will benefit the end users.</p>
Link to Council's Corporate Aims and Objectives		
The potential to increase the number of local suppliers should benefit the economy and increased levels of satisfaction among officers with the performance of suppliers and contractors should be reflected in better services and a better environment for Salford residents.		

D6 Staff Training and Development		
Key Objective		
To ensure the availability of high quality trained and motivated staff throughout all areas of procurement activity within the council.		
Issue	Action	Performance Indicator
The level of knowledge and expertise among staff involved in procurement is variable. Not all are professionally trained and, while this is not always appropriate, there is no recognised minimum skill level which is consistent throughout the council.	<p>The Procurement Excellence Model will be an integral part of staff development. Skill shortages will be identified and improvement initiatives supported by a training programme. This will be formulated to include formal training, briefings and updates and developmental courses.</p> <p>Training will be delivered by the procurement coaches and internally, to ensure a minimum standard of awareness of procurement methods, techniques and regulations.</p> <p>Intranet based information relating to procurement and the Procurement Handbook will be continually expanded and updated.</p>	<p>Minimum levels of skill and expertise will be identified which correspond with the degree of involvement in the procurement process and any gaps identified.</p> <p>A series of formal and informal training and briefing programmes will be established and budgets allocated.</p>
Link to Council's Corporate Aims and Objectives		
The implementation of minimum standards of procurement knowledge and expertise should result in the provision of effective and consistent goods and services to the council which will support the requirements of its aims and objectives.		

D7 Performance Management		
Key Objective		
To ensure that procurement in the council represents the optimum level and to allow it to benefit from shared knowledge and expertise in other organisations.		
Issue	Action	Performance Indicator
Benchmarking and performance indicators are new to procurement nationally and authorities need to share information and expertise to ensure that knowledge is spread for the benefit of all.	<p>The procurement KPI's will be modified, if necessary, to allow for regional and sub-regional benchmarking.</p> <p>Benchmarking and best practice will be further developed and more private organisations encouraged to participate.</p>	<p>There should be an overall increase in best practice and a consequent reduction in price and acquisition costs or improvements in supply or service.</p> <p>Procurement will be better equipped to assess its effectiveness and identify areas of best practice which can be shared with other areas of the Council.</p>
Link to Council's Corporate Aims and Objectives		
The ability to measure the effectiveness of procurement and thereby manage it more efficiently and improve it will bring benefits to all aspects of the council's aims and objectives.		

D8 Partnerships and links with other authorities		
Key Objective		
To increase the range of opportunities for increased economies of scale and the benefits of shared knowledge and joint working.		
Issue	Action	Performance Indicator
<p>Reduced procurement resources and the effect of shrinking authorities has led to the need to pool requirements and resources to obtain better value for money.</p> <p>Changes in the market place and in government funding practices encourages the development of long term partnerships with contractors on a variety of schemes.</p>	<p>Long term public/private partnerships will continue to be developed and involve new, special purpose companies.</p> <p>Joint procurement arrangements with other authorities and public bodies will be expanded where benefits can be obtained.</p> <p>Work with the RIEP will continue to develop and projects supported.</p> <p>Work with the North West e-Government Group will continue and be further developed. Unless sub-regional solutions are more appropriate or can achieve benefits more quickly</p>	<p>An increase in the number of long term partnerships with contractors and suppliers and a widening of the range of supplies, works and services handled this way.</p> <p>An increase in the number of joint working arrangements with other authorities and the formalisation of benchmarking initiatives.</p>
Link to Council's Corporate Aims and Objectives		
Longer term relationships with contractors and suppliers and more joint procurement arrangements with other authorities should bring greater benefits to the council, particularly in education and social care, and the result of shared information and expertise may provide new ideas to enhance the economy environment and the overall quality of life for Salford residents.		

D9 Equality, Sustainability and Regeneration		
Key Objective		
To promote procurement practices which not only support council objectives, but also contribute towards environmental improvement and regeneration of the local economy.		
Issue	Action	Performance Indicator
Procurement has the opportunity to have a positive effect on environmental and social issues as well as improving the local economy. In order to achieve this it must identify and support links with other council initiatives.	<p>Procurement activities will be carried out in an environmentally responsible manner and will comply with all relevant environmental legislation.</p> <p>Contractors and suppliers will be encouraged to investigate and develop environmentally friendly procedures and products.</p> <p>Ensure that suppliers' environmental policies are considered during the tender evaluation process.</p> <p>Encourage contractors to support the Salford Employment Plan where it can be demonstrated to support the principles of Value for Money.</p> <p>We will continue to ensure that, where appropriate, environmental criteria and a supplier's environmental policies are assessed in the award of contracts.</p> <p>Ensure that all specifications include the facility for potential suppliers to offer prices for environmentally friendly products.</p> <p>Ensure that proper consideration is given to the viability of environmentally friendly alternatives</p> <p>We will treat all people and organisations equally when being considered for the award of a contract.</p> <p>We will promote equal opportunities in services and organisations we choose to go into partnership with.</p> <p>Local business should be able to compete for work alongside contractors from outside the area and the council will encourage them in doing this.</p>	<p>An increase in the choice of available environmentally friendly alternatives in supply contracts.</p> <p>A more ethical and egalitarian approach to procurement within the Council and the development of a like-minded supply chain.</p> <p>An increase in the number of local suppliers and contractors.</p> <p>A positive attitude among contractors and suppliers to support the Salford Employment Plan.</p> <p>New jobs and training opportunities should be identified as a result of this strategy.</p>
Link to Council's Corporate Aims and Objectives		
These objectives directly support individual aims and objectives of the council. The environment, economy and quality of life in Salford should all benefit.		

APPENDIX A

Salford City Council
Corporate Aims and Objectives
(The Seven Pledges)

Pledge 1: Improving health in Salford

We will improve the health, well-being and social care of the people in Salford.

This will be achieved by

- Promoting a healthy lifestyle and tackling health inequalities
- Working with partners to improve life chances and promote good health for individuals and communities
- Improving and redesigning services to maximise access and meet need

Pledge 2: Reducing crime in Salford

We will reduce crime and disorder and improve community safety.

This will be achieved by

- Reducing the fear of crime and targeting the crimes causing most concern to the people of Salford
- Helping victims and witnesses
- Tackling offenders
- Implementing crime reduction and prevention measures

Pledge 3: Encouraging learning, leisure and creativity in Salford

We will raise education and skill levels and further enhance cultural and leisure opportunities.

This will be achieved by

- Raising the educational attainment of children, young people and adults in the city
- Providing better quality schools and leisure facilities
- Promoting independence for people through education, training and employment
- Encouraging more people to participate in a range of sport, culture and learning activities
- Promoting the city for major cultural, sporting and leisure events

Pledge 4: Investing in young people in Salford

We will focus on services, activities and opportunities to support children and young people in achieving their full potential.

This will be achieved by

- Encouraging greater engagement with young people on issues that affect their lives
- Providing services and facilities to meet the needs of young people
- Improving the life chances of young people by supporting them and their families

Pledge 5: Promoting inclusion in Salford

We will tackle poverty and social inequalities and increase the involvement of local communities in shaping the future of the city.

This will be achieved by

- Building strong, confident communities
- Celebrating and supporting our cultural diversity
- Improving access to services and support mechanisms for vulnerable members of our community

Pledge 6: Creating prosperity in Salford

We will continue to ensure an economically prosperous city with good jobs and a thriving economy.

This will be achieved by

- Promoting the city as a location of choice for people and investment
- Supporting businesses and maximising employment opportunities
- Maximising public and private investment to regenerate the city
- Helping people to overcome the barriers to employment and improving basic skills
- Maintaining a high quality workforce to drive the prosperity of the city

Pledge 7: Enhancing life in Salford

We will continue to ensure that Salford is a city that's good to live in with a quality environment and decent, affordable homes which meet the needs of local people.

This will be achieved by:

- Ensuring the cleanliness and maintenance of the city
- Giving residents in the city a choice of quality housing to meet their needs
- Promoting sustainability through appropriate development, conservation and improvement of the city's environment
- Providing an accessible and sustainable recycling service
- Improving the city's highway and transportation network