

Report to the Cabinet



**Epping Forest
District Council**

**Report reference: C/100/2006-07.
Date of meeting: 18 December 2006.**

Portfolio: Customer Services, Media, Communications and ICT.

Subject: Corporate Procurement Strategy 2007-2009.

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Democratic Services Officer: Gary Woodhall (01992 – 564470).

Recommendations:

That the Corporate Procurement Strategy for the period 2007-09 be agreed.

Report:

1. Procurement is the full range of activities related to purchasing goods, services and works. All of the Council's services are involved in procurement. Procurement can range from contracting for an entire service to purchasing small assets such as office equipment. The procurement process does not end at the commissioning or contract award stage, but spans the entire life cycle of the product or service from inception and design through to contract management and disposal of any redundant assets.
2. Effective procurement supports the Council's aims and objectives, helping the Council to deliver high quality services that meet the current and future needs of local people and that are principally based on value for money.
3. The draft Strategy sets out the Council's key strategic objectives that are closely aligned to those of the National Procurement Strategy for Local Government and sets out clear governance arrangements by utilising the nationally recognised 'gateway approach'. A copy of the Draft Strategy has been placed in the Members' Room; further copies can be obtained from Democratic Services.
4. The draft also recommends that the Council signs up to The National Procurement Concordat for small and medium enterprises (SME's). The purpose of the National Procurement Concordat is to set out what small firms and others supplying Local Government can expect when tendering for Local Authority contracts. The Concordat also sets out the standards that public sector buyers should expect from their suppliers. It is a voluntary, non-statutory code of practice and is consistent with the delivery of Best Value and EU and UK procurement regulations.
5. Finally, the draft sets out a clear environmentally friendly procurement approach. This ensures that the Council uses materials that have the least possible impact on the environment, whether in production, delivery, use or disposal.
6. The draft therefore details how procurement will achieve the above aims. It brings together existing best practice already established across the Council and adopts recommendations from the various Central Government initiatives and the locally based Procurement Agency for Essex (PAE) and the Essex Procurement Hub (EPH).
7. Some of the procedures on which this strategy is based will necessitate changes to contract

standing orders. In order that this strategy has time to become established, it is proposed that those changes should be reviewed at the next annual review of contract standing orders. Now that the Council is committed to annual reviews, this will take place in 2007 in time for implementation from April 2008.

Statement in Support of Recommended Action:

8. This draft strategy addresses the main aims and objectives of Central Government's 'National Procurement Strategy for Local Government' and moves the Council forward in achieving the 'Procurement Milestones' set out in that strategy.

9. In addition to Central Government's National Procurement Strategy the Audit Commission are focussing on better procurement practices through the requirements of the Value for Money and Use of Resources self assessments. The Audit Commission regard a procurement strategy as central to driving through efficient use of resources and sustaining best value.

10. The Council has been participating in a shared procurement service since April 2004 (PAE) and this has already led to some significant cost reductions in the procurement of goods and services. Joining the EPH in October 2006 (currently assisting the Council with the procurement of a Waste Management Service) has extended this shared service approach.

11. The draft strategy sets out a clear governance framework that will co-ordinate these shared service arrangements to ensure the Council fully utilises their expertise across all service areas. The strategy will also assist the Council in moving forward with a corporate set of procurement objectives that will become a key enabler of achieving best value and effective procurement practice.

Other Options for Action:

12. To agree or amend the draft Corporate Procurement Strategy.

13. To note the achievements already made by the Council through procurement activity set out in the draft Strategy.

Consultation Undertaken:

14. The Council has consulted with its key procurement partners, the PAE and the EPH, and their feedback has been incorporated into the draft. The Council's key stakeholders, Management Board and Heads of Service have also contributed to, and commented on the draft strategy.

Resource Implications:

Budget Provision: Nil (e-Procurement system, the PAE and the EPH are already funded).

Personnel: Nil.

Land: Nil.

Community Plan/BVPP Reference: N/A.

Relevant Statutory Powers: N/A.

Background Papers: e-Procurement Strategy, Transformational Government enabled by Technology and the National Procurement Strategy for Local Government.

Environmental/Human Rights Act/Crime and Disorder Act Implications: None.

Key Decision Reference (if required): N/A.