



*Preston City Council  
Procurement Strategy  
2016-2019*

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## Introduction

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The Council has had a Procurement Strategy since 2004. The strategy aims to help us deliver excellence in the procurement and commissioning of goods, services and works. It supports the delivery of the Council's priorities and strategies in other areas such as equality, asset management and carbon reduction.

The need to deliver savings and efficiencies continues to be essential for public services. It is becoming a widely held view that future levels of savings will require us to change and challenge i.e. do things differently and find new solutions.

Procurement and commissioning can be used to help achieve change and are tools the Council can use to help it meet its objectives.

Procurement in Preston is defined as

“...the process of acquiring goods, services and works, to achieve the optimum combination of costs, benefit and management risk, to meet the objectives of the Council”

Procurement covers the whole process from the initial identification of a need for a good or service, decisions about how and who provides the service, through selecting a supplier or partner, receiving the goods or service, managing a contract, achieving the benefits expected, to finally getting rid of an asset or ending a contract.

Good practice and legislation encourages staff to consider wider social, economic and environmental impacts and outcomes from procurement decisions. It also stresses the need to include the public, customers and people who are the ultimate users of services in their design, selection and delivery, where appropriate.

The Council has a good track record of working in partnership with others such as the County Council, other District Councils, professional buying organisations (e.g CCS and YPO) and with consultants.

The Procurement function will continue to encourage working in partnership, ensuring that Officers and Management Team are aware of the opportunities this provides.

## Aims

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The aim of this Procurement Strategy is to set out a clear framework for procurement throughout the authority, which is consistent with Preston City Council's Corporate Plan, the Council's Constitution, Financial Procedure Rules and Contract Procedure Rules.

The strategy will communicate to all stakeholders, including Council Members, Chief Officers and Council staff the Council's 'vision' for the way forward in procuring its goods, works and services and detailing their responsibilities in achieving that 'vision'. It aims to bring together the existing examples of good procurement practice throughout the authority.

The document seeks to set out the Council's high level, strategic plans for how procurement will be organised and managed in support of the 'vision'.

It is aimed at promoting effective procurement across the whole of the authority and the wider district in collaboration with the Lancashire Procurement Hub, by setting a flexible framework within which procurement development can take place.

Flexibility is required to allow the Council to respond to the rapidly changing environment surrounding public sector procurement, taking into account our own experiences and those of others and to integrate improvements into our processes and systems.

Copies of the strategy are available directly from the Council's Procurement Manager or electronically via the Council's intranet or website

## Council's Vision and Priorities

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The council's overarching vision is that of "Preston as a growing vibrant city"

This can be achieved through focus on the priorities of:

**Fairness for You -**

- Fairness at the heart of decision making
- An economy supporting prosperity and promoting fairness in working lives and practices
- Accessibility to affordable energy and decent affordable homes

**Your Council –**

- Well run, value for money services
- Good governance openness and transparency
- Strong democratic process

**Your City –**

- Secure investment
- Improve assets and infrastructure
- Attract high quality jobs

## Procurement's Vision and Priorities

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"To continue to be outcome focussed, ensuring that compliant procurement activity delivers value for money and efficiencies for the Council in achieving its Vision"

This can be achieved through focus on the priorities of:

**Making Savings -**

- Recognising the need to use spending power wisely and strategically

**Supporting Local Economies & Community Wealth Building –**

- Focussing on providing the maximum benefit into Preston from every taxpayer pound that is spent

**Leadership –**

- Leading the way and demonstrating initiative and resourcefulness to rise to social economic and environmental challenges that our communities are facing

**Modernisation –**

- Innovating in terms of scope, and use of technology, practises and procedures

## Making Savings

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PRESTON CITY COUNCIL CONTINUES TO SEEK SAVINGS BY CONSIDERING REGIONAL COLLABORATION WHEREVER APPLICABLE. THIS HAS RESULTED IN SAVINGS ASSOCIATED WITH REPAIRS & MAINTENANCE, POSTAL SERVICES PROVISION AND A JOINT E-PORTAL PROGRAM FOR THE NORTH WEST

## Category Management

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Category management can help Preston make savings by maximising value from common areas of spend. This is enhanced by a targeted understanding of the supply market through appropriate spend and supplier analysis

### Actions

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- Recognise the benefits of category analysis approach
- Review appropriate frameworks at an early stage to reduce duplicated efforts

## Partnering and Collaboration

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Preston can make savings by aggregating spend through effective collaboration or via a shared service on common goods and services

### Actions

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- Explore opportunities to procure through existing routes to market
- Explore options relating to shared services or collaborations

## Contract and Supplier Management

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A common approach to contract management will enable Preston to demonstrate effectiveness in gaining maximum value from contracts. This will include appropriate relationship management of supply chains

### Actions

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- Where applicable, incorporate KPIs into contracts to measure contract outputs and ensure competitiveness over the life of the contract
- Insist on main contractors acting fairly with supply chains, mandating timely payment through contract clauses

## Performance and Transparency

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Supplier performance increases and costs decrease through effective performance monitoring and transparency. Local businesses benefit from the publication of data under the transparency code

### Actions

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- Benchmark contract spending and outcomes with other councils
- Publish data in related to contracted services

## Risk and Fraud Management

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Risks are identified and managed through an approach that is integral to the council's corporate processes. Potential fraudulent practices are identified and removed or managed through pre-procurement risk assessments

### Actions

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- Risks and implications of poor procurement identified through corporate risk processes
- Contracts audited for fraud
- Include whistleblowing policies within contract conditions

## Demand Management

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Costs and oversupply are reduced through implementation of demand management techniques within the procurement cycle

### Actions

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- Build in demand management at pre-procurement
- Consider alternative ways to meet demand at an early stage

## Supporting Local Economies & Community Wealth Building

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PRESTON CITY COUNCIL FACILITATES, AND LEADS ON THE PRESTON PROCUREMENT PRACTITIONERS GROUP – A VOLUNTARY GROUP OF PUBLIC SECTOR ANCHOR INSTITUTIONS, WHOSE AIM IS TO WORK TOWARDS ECONOMIC DEVELOPMENT WITHIN PRESTON AND ITS SURROUNDING AREA

### Economic, Environmental and Social Value

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Preston can gain maximum value from procurement through the inclusion of economic, environmental and social value consideration in contract opportunities. The council can also reduce waste by making sustainable choices when procuring products and services, helping to cut costs and meet social economic and environmental objectives

#### Actions

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- Evidence of consideration of how to obtain social value in all applicable contracts
- Evidence of consideration of sustainability at the pre-procurement stage

### Improving Access for SMEs

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A wide range of suppliers can be encouraged to do business with Preston City Council through the use of our procurement portal. Barriers to doing business may be removed without compromising process. The council can also identify forward spending wherever possible, using this data to inform pre market engagement and supplier planning

#### Actions

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- Ensure that Council website identifies our correct opportunity portal
- Measure local spend as a means of identifying and reducing barriers to SME and micro-organisations
- Develop and update the “Doing business with the Council guidance
- Engage with and learn from the regional supply base

## Leadership

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PRESTON CITY COUNCIL CONTINUES TO PROVIDE A REPRESENTATIVE ON THE REGIONAL CONNECTED PROCUREMENT NETWORK, ENSURING PRESTON'S INTERESTS ARE MAINTAINED AT NATIONAL LEVEL

## Single Cohesive Voice

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Central government has acknowledged and takes into account the needs and differences of local government within policy

### Actions

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- Engage with regional procurement networks to ensure visibility of and input into policy
- Join with PBOs, where appropriate to showcase and share best practice and influence the wider public sector

## Commitment from the Top

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Procurement at Preston City Council is recognised as strategically important by the members, the Chief Executive and senior management. Furthermore, it is supported by an elected member champion for procurement. In association, a senior level director takes overall strategic responsibility for procurement and recognises procurement as a driver to implement council policy.

### Actions

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- Provide periodic updates on good practice to senior management and elected members
- Maintain a councillor as a champion of procurement

## Procurement Training

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Preston will build better procurement competencies across the organisation by ensuring staff are equipped with the knowledge training and relevant practical skills to drive maximum benefit from procurement practices. We will be more influential with suppliers through taking a more commercial approach to procurement. It is important that officers understand the flexibilities afforded by the new Public Contract Regulations

### Actions

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- Engage with other councils to share training and development programmes where possible

- Ensure that an appropriately trained and experienced procurer is involved directly with high value contracts
- Ensure that procurement training needs assessments are covered within SDRs

## Modernisation

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PRESTON CITY COUNCIL HAS BEEN USING ELECTRONIC PROCUREMENT METHODS, INCLUDING E-MARKET PLACES AND E-TENDERING FOR OVER 4 YEARS, DEMONSTRATING A COMMITMENT TO TECHNOLOGY AND SYSTEMS' INNOVATION

## Supplier Innovation

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Suppliers should be able to demonstrate innovation through all stages of the procurement cycle

### Actions

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- Join other councils to engage in supplier market days
- Ensure that terms and conditions allow for technological change adoption mid contract
- Use outcome based specifications to focus on the need

## Using Technology

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Preston has demonstrated increased efficiency and productivity through the use of e-procurement solutions, to realise added benefits. Its use of P2P helps the councils and suppliers streamline administrative processes, improves supplier liquidity and delivers real time spend data

### Actions

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- Maintain Preston's electronic capacity whilst working with suppliers to conduct more e-business.