
PROCUREMENT STRATEGY – SIX MONTH REVIEW

1 SUMMARY

- 1.1 This report appraises Members of the work carried out in implementing the above strategy.

2 BACKGROUND

- 2.1 The current Procurement Strategy was agreed at the meeting of Policy & Finance Committee on 14 October 2004.
- 2.2 The Strategy contains a Service Action Plan, a copy of which is shown at Appendix 1 of this report.
- 2.3 The Strategy requires this Committee to review implementation of the Strategy every six months.

3 PROGRESS TO DATE

- 3.1 Selling To Guide – target date February 2005.
- 3.1.1 The Council, as a member of the Procurement Agency for Essex (PAE), has utilised a standard format reduced by the Agency. This ensures, where possible consistency of approach across all Essex authorities.
- 3.1.2 The Selling To Guide for Rochford was placed on the Council's website on 2 March 2005. Hard copies are available on request.
- 3.2 Contract Standing Orders/Financial Regulations – Target Date March 2005
- 3.2.1 This element of the strategy also required the production of guidance notes where necessary.
- 3.2.2 New Contract Procedure Rules were agreed by Council on 22 February. The new rules allow for working with the PAE in order to procure joint contracts across the County and help move towards common expenditure levels for various types of procurement.
- 3.2.3 At present it is not considered necessary to produce new guidance, but this will be kept under review.
- 3.2.4 A review of Financial Regulations is taking place in order to regularise issues in respect of e-procurement. A report will be presented to the first available Policy and Finance Committee to be held in the new municipal year.
- 3.3 Engagement with Centre for Regional Excellence (CRE) – ongoing.

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- 3.3.1 The Council's Procurement Champion, Councillor P. Webster, attended a Member meeting on 15 February.
- 3.3.2 The CRE has also made a presentation to the Chief Executives within the region. Other officer contacts will be made as and when the CRE brings issues forward.

4 PROGRESS WITH THE PAE

- 4.1 As mentioned in paragraph 3.1.1. above, the Agency has assisted in the production of the Selling To Guide.
- 4.2 The agency has also carried out an analysis of the Council's expenditure in order to identify possible areas where savings can be made. A full report of the exercise was presented to an Officer working Group on 22 March.
- 4.3 The Procurement Agency identified a number of areas where savings may be achieved by reducing the number of paper invoices produced by some contractors. These findings confirmed views of officers following the analysis carried out to produce the current procurement strategy.
- 4.4 A number of areas were identified where the same contractor was providing services for different divisions within the authority. Officers will investigate whether or not savings can be achieved by grouping these suppliers and having one division leading on purchases from a particular supplier.
- 4.5 The Procurement Agency also confirmed officer views that, because of the large scale outsourcing of services already carried out, further savings on procurement would be difficult to achieve.
- 4.6 A county-wide advertising contract has been let, which all authorities may participate in. Initial findings point to minor savings of £2,000 per annum. Further analysis is required, however, before any final commitment is made. If these savings are feasible, they would be regarded as cashable for Gershon purposes.

5 RECOMMENDATION

- 5.1 It is proposed that the Committee **RESOLVES**

To note the progress in respect of the Procurement Strategy and the Procurement Agency for Essex.

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Background Papers:-

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APPENDIX 1

PROCUREMENT STRATEGY 2004-2006

ACTION PLAN

Note: Actions and dates comply with National Procurement Strategy

	Action	Responsible Officer	Target Date	Outcome	Comments
1	Adopt new Procurement Strategy 2004/6	CD(F&ES)	October 2004	Strategy adopted and published	
2	Publish Selling to Council Guide	HAMS	February 2005	Guide available on website and hard copy	Work is being led by the Procurement Agency for Essex. Drafts being trialled with local contractors.
3	Supplementary guidance notes/contract standing orders/financial regulations	CD(F&ES)	March 2005	Guidance notes published. Contract standing orders/financial regulations amended	
4	Conclude a compact with local voluntary and community services	CD(F&ES)	July 2005	Compact agreed and published	
5	Involvement with Centres of Regional Excellence	CD(F&ES)		Working with Regional Centre of Excellence	Timescale dependent upon setting up of the Centre. Government has set a target of achievement by end of 2005.

6	Average time taken from OJEU notice to letting of contract to reduce by 10% of average for 2003	CD(F&ES)	December 2005	Target time 40 weeks	Last contract requiring OJEU notice was the leisure contract in 2001/2 which was 44 weeks.
7	Joint collaboration to create shared service for procurement and project management	CD(F&ES)	December 2005	Examples of joint working in place	<ul style="list-style-type: none"> • Already Member of Procurement Agency for Essex • Negotiations commenced for joint collection of business rates with Chelmsford BC • Careline supplied by Basildon DC
8	Investigate the feasibility of implementing an integrated finance management system.	HFS	April 2005	System in place	New systems currently being evaluated.
9	Full e-procurement programme	HAMS/HFS	December 2005	Market Place fully operational with general ledger across all departments.	Market Place being rolled out across the authority.
10	Use of procurement card for low cost purchases	HAMS	December 2005	Card usage established across all departments	

11	Sign up to National Concordat for Small to Medium Enterprises	CPM		Sign up to Concordat	Target date dependent on publication of National Concordat.
12	Carry out independent health check	CD(F&ES)	October 2006	Health check carried out and recommendations implemented	
13	Average time taken from OJEU notice to letting of contract to reduce by 25% of average for 2003.	CD(F&ES)	December 2006	Target 33 weeks	See note at 5 above.