



**REPORTS FOR DECISION BY THE  
CABINET MEMBER FOR CORPORATE SERVICES**

Date Issued: **18 March 2010**

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**K = Key Decision**

**A Record of Decision will be issued following the conclusion of 5 clear working days from the date of issue of the Report**

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# Agenda Item 1

## **MAIDSTONE BOROUGH COUNCIL**

### **CABINET MEMBER FOR CORPORATE SERVICES**

#### **REPORT OF THE HEAD OF BUSINESS IMPROVEMENT**

**Report prepared by Steve Trigg**  
**Date Issued: 18 March 2010**

#### **1. PROCUREMENT STRATEGY 2010-2013**

##### 1.1 Issue for Decision

1.1.1 To consider the adoption of the Procurement Strategy 2010-2013

##### 1.2 Recommendation of the Head of Business Improvement

1.2.1 That the Cabinet Member for Corporate Services approves the Procurement Strategy 2010-2013 attached as Appendix A.

1.2.2 That the Cabinet Member recommends to Council that the Procurement Strategy 2010-2013, attached as Appendix A, be adopted.

##### 1.3 Reasons for Recommendation

1.3.1 The previous strategy, adopted in 2007, was successful in many ways in supporting the Council's vision, by providing a framework for ensuring value for money, supporting the local economy and businesses, streamlining back office processes and improving procurement awareness throughout the Council.

1.3.2 The new strategy seeks to build on the successes of the previous strategy and sets the following key objectives:

- Ensure that procurement activity supports the Council's vision and priorities;
- Ensure value for money;
- Embed sustainability into the procurement process;
- Increase the success rate of local businesses;
- Promote socially responsible procurement;
- Extend partnership working to provide better value for money.

1.3.3 To achieve these objectives, we will focus on:

- Promotion of sustainability and environmental issues throughout the procurement process;
- Encouraging participation of small and medium enterprises and local businesses;
- Ensuring that equality of opportunity is considered in specifications and addressed by suppliers;
- Partnership working with other local authorities

1.3.4 Consultation with Corporate Services Overview and Scrutiny Committee took place on 2<sup>nd</sup> February. The committee supported the strategy and made one recommendation regarding the incorporation of training of new staff with procurement responsibilities into the induction process. This has now been done. The Scrutiny Committee Recommendation Action and Implementation Plan is attached as Appendix B.

1.4 Alternative Action and why not Recommended

1.4.1 The Council could choose not to develop a Procurement Strategy, however, such an action is contrary to good practice.

1.5 Impact on Corporate Objectives

1.5.1 A procurement strategy, and the successful achievement of its objectives, supports the Council’s vision and priority themes.

1.6 Risk Management

1.6.1 There is no risk in adopting the strategy itself. Risks associated with actions contained within will be assessed and managed at the appropriate time.

1.6.2 By not adopting a robust approach to procurement there is now an increased risk of challenge and financial costs as well as a high risk that the Council will not achieve value for money for local taxpayers.

1.7 Other Implications

1.7.1

1.	Financial	X
2.	Staffing	X
3.	Legal	
4.	Social Inclusion	
5.	Environmental/Sustainable Development	

- 6. Community Safety
- 7. Human Rights Act
- 8. Procurement
- 9. Asset Management

X

1.7.2 Savings arising from the procurement activity will be recorded and reported to Corporate Finance to ensure that they are taken into account and real savings accrue.

1.7.3 Staff resources to deal with partnership working will be reviewed at the appropriate time. However, any increase will not result in revenue growth.

1.7.4 Environmental/Sustainable development is one of the key objectives of the strategy.

1.8 Background Documents

1.8.1 There are none.

**NO REPORT WILL BE ACCEPTED WITHOUT THIS BOX BEING COMPLETED**

Is this a Key Decision?      Yes            No     

If yes, when did it appear in the Forward Plan? February 2010

Is this an Urgent Key Decision?      Yes            No     

**How to Comment**

Should you have any comments on the issue that is being considered please contact either the relevant Officer or the Member of the Executive who will be taking the decision.

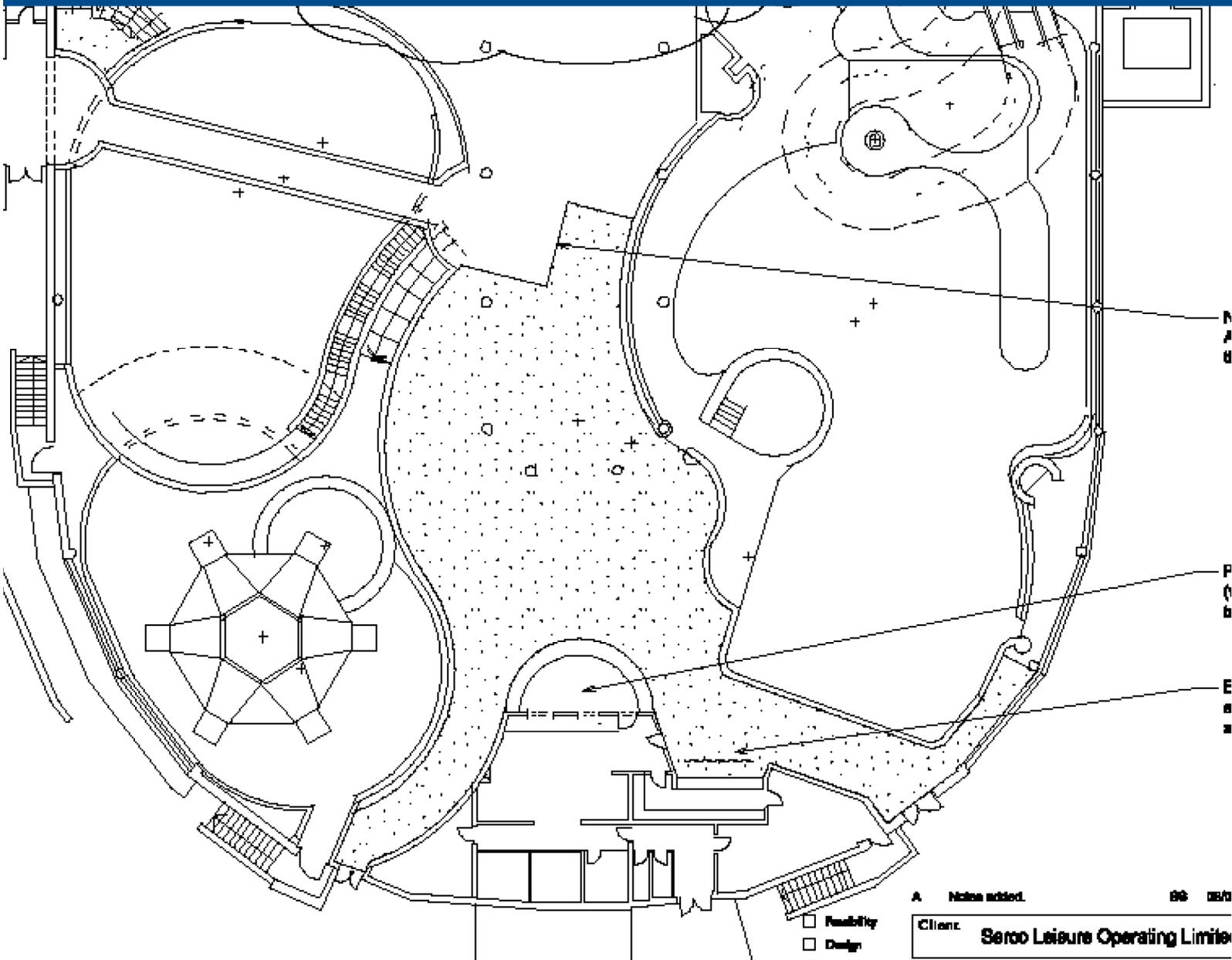
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# Procurement Strategy 2010-13



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## Foreword

The Council is continually working hard to provide value for money for local taxpayers. However, the quality of the service provided needs to be carefully considered when assessing expenditure.

The Council has been rated as one of the top 20 authorities in the country and as part of this assessment how the council uses the resources that are available, whether these be our funds, buildings or staffing resources has been measured. The council performs very strongly but we are not complacent. Increasingly more services are provided in partnership, either with other boroughs, the private sector or the third sector (which includes voluntary organisations).

Maidstone Borough Council is one of very few district councils in Kent that has a dedicated procurement team and the Council also undertakes a range of work for other boroughs. For Maidstone itself the Team has managed to deliver savings of £117,000 in the past year without adversely affecting service delivery.

In addition by taking a rigorous approach to procurement the council can also ensure that the risk of challenge (which increases due to constantly changing EU directives) is also minimised.

The Council is constantly looking at new ways to procure services and with the development of national frameworks this also offers a wider range of opportunities. However, this needs to be balanced against supporting the local economy and local businesses.

One of the examples in 2009/10 was the construction of a new depot in the borough, this was tendered in line with the European standards but the construction stage included a range of local materials and sub-contractors.

Effective procurement remains a key strand of the Council's efficiency agenda and I hope that in 2010/11 further work can be progressed on establishing a shared service across the four boroughs in Mid Kent.

External pressures through reducing government grants and increasing expectations from our customers will mean that the procurement of goods and services must continue to develop and move forward to ensure value for money is obtained. Particularly if the Council is to deliver its ambitious capital programme and support the council's key aim to promote economic development and improve the prosperity of the borough.

This Procurement Strategy, together with the Action Plan, intends to build on our success in the past and supporting the Council's vision over the next three years. The ongoing commitment of members, officers and the Council's partners, whether public or private, will be vital if the Council is to achieve its aims.

Key procurement activity during the next three years will include the capital projects at the Museum, Mote Park and the High Street along with service contracts, which include refuse and recycling which is due to come into operation in 2013.

Cllr Richard Ash  
Cabinet Member for Corporate Services

## **(1) Introduction**

This new strategy is the third Maidstone Borough Council has produced and aims to build upon the progress made within the previous two, the most recent of which was issued in April 2007.

The strategy will continue to retain at its core and promote its guiding principle the objective:

*"To support the Council's vision and obtain best value through planned and skilful procurement".*

During the past three years significant cashable and non cashable savings have been achieved and the renewal of strategically and economically important contracts for the Council have been undertaken, these include the provision of:

- Management of Maidstone Leisure Centre;
- Revised Park and Ride Bus Services;
- New Waste Collection Services;
- Council Building Maintenance Services;
- Procurement of a new depot; and
- Major improvements to the Crematorium.

Other significant contract renewals include the provision of:

- CCTV Staff Manning Contract;
- New Management and Maintenance of the Cobtree Golf Course;
- Council Insurance and Banking Services;
- Upgrading of Equipment at the Crematorium;
- Agency Staff Management Contract; and
- Cash Collection Services.

The above and other current contract arrangements can be viewed on the Contract Register contained within the procurement pages of the Councils website.

In addition to the specific exercises mentioned above, during this period substantial progress was made towards the main objectives of the previous strategy and this is summarised below:

### **Contract Management**

The organisation of suppliers into two groups, with those carrying out work on our sites or land or providing a service/delivering a product deemed as critical to the Council are now identified as Group 1 suppliers on the contract register and are managed to ensure minimum risk of non delivery of their contracted obligations.

Annual "health checks" in respect of continued statutory obligations like the maintenance of effective insurance cover, monitoring for any deterioration of compliance with Health and Safety and Equalities requirements are carried out.

In co-operation with client departments, the Procurement Team has begun periodic Contract reviews of those contract arrangements performed by Group 1 suppliers.

It is expected to continue to build upon this work moving forward and implementing a mechanism for evaluating supplier's ongoing environmental awareness and validating what they said that they would do, on each anniversary of the contract start date.

It is also intended to review the "Financial Health" of these suppliers to enable any action necessary for the Council to secure continuity of service provision.

## **Sustainability**

Maidstone Borough Council has already implemented many initiatives to address the impact it has on the environment and to assist with delivering products and services in a sustainable manner. These include:

- Reduction of CO<sub>2</sub> emissions and or energy consumption by the use of a biomass boiler for the new offices with locally purchased fuel, low wattage laptop computers, intelligent lighting, voltage optimisation, solar panels and other modern technology and a challenging ceiling on lease car CO<sub>2</sub> emissions.
- Reduction in use of paper and other resources through the use of multi-functional printing, copying and scanning devices, electronic versions of tender documents, cooled and filtered mains drinking water, environmentally friendly or recycled office consumables, cleaning products, drinking cups and waste collection boxes.
- Incentives to cycle or walk to work through the provision of showers, pool cycles and cycle racks.
- Encouraging tenderers to submit variant bids with greater environmental benefits, incorporating sustainability assessments into tender evaluations.

## **Doing Business Electronically**

Wherever our current Accounting and IT systems have permitted, progress has been made to enable key Council supply and service contracts to operate on a fully or partially electronic basis. This has resulted in a significant reduction in the number of paper based ordering and invoicing transactions leading to more efficient use of officer time and quicker payment turnaround.

## **Supplier Development/Procedure Review**

We have reviewed and simplified all our tender documentation and introduced standard forms wherever possible. Considerable amendments have taken place to the template documents for pre-qualification questionnaire and invitation to tender documents to reduce their size, make them easier to understand by the companies that receive them and simpler to evaluate. Further changes to these documents are anticipated as well as the possibilities of either the creation of common procurement documents that can be used throughout Kent or the use of pre-accreditation services to make it easier for suppliers to take part in future tendering opportunities.

We have introduced clear procedures on how suppliers can do business with the Council and continuously update the Procurement area of the Council website. The introduction of a combined Kent wide set of contract procedure rules and comprehensive Purchasing guide, together with new raised financial thresholds for the obtaining of quotations for materials and services has increased the scope for the acquisition of Council requirements with the local business community. Monitoring of Council spend with businesses in the Maidstone area is one of several quarterly key performance Indicators for Procurement and is recorded within the Corporate Quarterly Performance Monitoring Report which measures progress towards a key objective within the strategic plan.

## **Partnership Working**

A close working relationship with Tunbridge Wells has developed, resulting in a review of their procurement activity and the procurement of their corporate maintenance requirements.

Procurement work has also been undertaken for other pan Kent county groups which has not only produced savings for all the members of these groups, but has also added to the overall income earned by the Procurement Unit. The opportunities offered by the development of the Mid Kent Improvement Partnership provide further scope for procurement efficiencies and savings as evidenced by the external print Management contract that should contribute approximately £ 40,000 per annum to overall procurement savings figures.

In November 2009, the MKIP Board agreed a proposal to create a more formal arrangement for collaborative procurement to improve procurement efficiency. The first stage, which should be completed by May 2010, would be to develop a combined contracts register, agree a five year procurement programme, adopt agreed core policies and strategies and agree key performance indicators to measure the benefits.

## **Value for Money**

Whilst important, efficient and effective public procurement is not just about delivering savings. The value that the expertise of a dedicated procurement team brings can be expressed in a number of different ways:

- Ensuring compliance through specialist knowledge in an increasingly legislated area of activity;
- Understanding the diversity of suppliers and maximising interest from the markets;
- Stimulating and developing the local economy and ensuring environmental awareness and sustainability is at the heart of the process;
- Clarifying and challenging current and future service requirements and tailoring the procurement package to get the best result; and
- Streamlining and simplifying the procurement process, allowing service departments to concentrate on service delivery.

Notable successes over the past three years have been the procurement of the new Depot and the new offices and other major capital projects such as the upgrading of the Crematorium, procurement of the new waste collection and park and ride contracts, and

improved arrangements for graphic design and printing and the employment of temporary staff.

### **Staff Development**

The depth of experience within the procurement team continues to be developed and appreciated internally and externally. Demands for our professional input into projects reminds us of the need to update ourselves on developments within procurement best practice as well as understanding European courts and UK government based agency rulings and guidance.

It has been reassuring to note that the Council has continued to provide financial support for staff development and has assisted officers to achieve professional recognition through for example membership of the Chartered Institute of Purchasing and Supply.

## (2) Influences

The Council has identified five priority themes in its Strategic Plan to help deliver the vision for Maidstone in support of the Sustainable Community Strategy:

- A place to achieve, prosper and thrive;
- A place that is clean and green;
- A place that has strong, healthy and safe communities;
- A place to live and enjoy; and
- A place with efficient and effective public services.

These provide the framework for the Council's procurement which is further reinforced by six core values which cover the way we deliver the services:

- **S**uperb customer service
- **T**eamwork
- **R**esponsibility to deliver our promises
- **I**ntegrity and high standards of Corporate Governance
- **V**alue for money and efficiency
- **E**quality within a diverse organisation

The Procurement Unit has been committed to embracing the principles of the " National Procurement Strategy for Local Government October 2003", the Gershon Review of Public Sector Efficiency to secure continuous improvements, and it has responded for example, to the recommendations within the Byatt Report.

We will continue to ensure that the acquisition of materials, services and works are obtained on the basis of "value for money" not the lowest price.

The National Procurement Strategy for Local Government defines Procurement as:

*"the process of acquiring goods, works and services, covering both acquisition from third parties and in house providers. The process spans the whole life cycle from identification of needs, through to the end of a services contract or the end of the useful life of an asset. It involves options appraisal and the critical "make or buy" decision which may result in the provision of services in-house in appropriate circumstances."*

Value for Money:

*"choosing the bid that offers the optimum combination of whole life costs and benefits to meet the customer's requirement. This is not the lowest initial price option and requires assessing the ongoing revenue/resource costs as well as initial capital investment. The Council's requirement can include social, environmental and other strategic objectives and is defined at the earliest possible stage of the procurement cycle. The criterion of best value for money is used at the award stage to select the bid that best meets the requirement."*

The government decided to expand upon the successes provided by the Regional Centres of Procurement Excellence (RCPE) by creating the Regional Improvement and Efficiency Partnerships (RIEP) with the aim of supporting local government to deliver further efficiencies via the development of local area agreements and partnerships.

Regionally work has been undertaken on developing a Construction Framework which should provide opportunities for large schemes such as PFI/PPP developments. Nationally several frameworks have been developed and the Council has looked to use these wherever possible. The Council has also played a key role in the Corporate Transformation strand which includes opportunities for greater partnership working.

The Mid Kent Improvement Partnership (MKIP) as mentioned earlier in this document is an example of this and demonstrates how such arrangements not only work to provide improvements and efficiencies locally but is in accord with the requirements of the National Improvement and Efficiency Strategy (NIES).

### **Summary of Objectives**

It is intended that this strategy continues to support the key procurement aims by pursuing the following objectives:

- Continuing to be efficient, effective and responsive to individual Council service department needs through the timely provision of advice and guidance when evaluating potential procurement options.
- While minimising risk, provide procurement resources to plan and conduct timely, service supportive and legally compliant tendering activity where necessary in response to both planned and unexpected requirements.
- Working with the client department to research the supply market and take advantage where appropriate of legally compliant supply frameworks to take advantage of aggregated spend already exposed to market competition to provide savings and efficiencies.
- Constantly reviewing the Councils expenditure to identify and provide opportunities for future savings and efficiencies through collaboration and procurement partnering arrangements with other authorities.
- Continuing to analyse Council spend, identifying new opportunities for the renewal or creation of new Corporate supplies and service contracts.
- Engaging, working with and training Council officers who carry out purchasing activity to ensure they are informed of their responsibilities, and that guidance is provided by procurement to enable them to maintain compliance with the recently revised contract procedure rules and financial thresholds.
- Continuing to monitor current practices, legislations and procedural developments to keep abreast of changes relevant to procurement and ensure that the Council is not just compliant, but is a leader amongst our peers.
- While maintaining and developing strategies and policies previously put in place, the current economic, social equality and environmental issues globally as well as within the local community demand that procurement must respond in a

competent and positive way that ensures Socially Responsible Procurement is at the very heart of what we do now, and in the future.

The following sections therefore provide the theme of this strategy, identify 4 key areas and describe progress to date and what we plan to do during the next few years.

### **(3) Key elements of the new strategy**

#### **(a) Sustainable Procurement**

“Sustainable Procurement is a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, while minimizing damage to the environment.” Procuring the Future (Sustainable Procurement Task Force, June 2006).

Councils and other Government bodies have a requirement to implement sustainability within their tendering processes, to buy materials from ethical and renewable sources where possible, to minimise their impact on the environment and to preserve it for future generations. They are obliged to evaluate the sustainability of their suppliers and the methods that the supplier uses in delivering the contract.

There are three pillars of sustainability which link together to form the aspects to be considered as much as possible in all procurement activities:

- Social –** Meeting the needs of individuals, often least considered but having the potential to bring most benefits. This considers Health and Safety implications, work conditions (creating a good working environment can lead to greater productivity and reduced staff turnover, education, training, social inclusion, fair trade, equalities and eradicating poverty.
- Economic –** Looking for ways to achieve a stable economic growth within the local area, working within capacity of the natural environment, adopting measures for fair and rewarding employment, competitiveness and trade. Improved access to services, encouraging new businesses, transport infrastructure. Ability to accommodate future users.
- Environmental –** Protecting and conserving biodiversity, the natural environment, reducing waste, preventing pollution, using resources efficiently, recycling and disposing of waste in an environmentally and socially responsible way.

Sustainability compliance and progress is monitored annually by the Audit Commission via the Comprehensive Area Assessment (Use of Resources) and reviews:

How well local public services are delivering better results for people across the whole area, focusing on agreed priorities such as health, economic prospects and community safety, and how likely they are to improve in the future.

Maidstone Council’s Organisational Assessment in 2009 placed the borough as one of the top 18 authorities in the country. The Use of Resources score was consistently performing well on all the key lines of enquiry. Assessing value for money and the outcomes for local people were important in the new assessment and effectively delivering and procuring services play a key role.

The key objectives for the Council's Sustainable Procurement Strategy are:

- To promote an awareness of sustainable and environmental issues throughout the Council.
- To ensure that best practice is being followed wherever possible in these aspects, across each department, so that the environmental impact of the way in which people work and the decisions that they make is of prime concern.
- To provide staff members access to greener options at the same or cheaper prices as their standard alternatives.
- To consider the local economy, logistics and sources of materials when conducting tender exercises or evaluating supplier suitability, where appropriate and permissible and without prejudice towards suppliers from further a field.
- To encourage tenderers to submit variant bids that offer enhanced environmental performance.
- To consider what steps suppliers and contractors are taking to reduce the environmental impact of their products, services and operations, including the use of recycled products, resources such as energy, water and packaging, and the disposal of waste and indicate to them the sort of goods we would like to buy in the future, in order to encourage them to develop their own environmental policies and practices.
- To encourage contractors to use local sources of timber products wherever possible and any timber products used should carry the Forest Stewardship Council (FSC) trademark, or equivalent recognised certification of good forest management.
- To encourage small and medium enterprises (SMEs) and representatives from the community and voluntary sector to participate in our procurement processes by creating awareness of opportunities and simplifying prequalification and tender documents.
- To consider whole life costs when tendering, to identify lower operating and disposal costs for sustainable alternatives.
- To conduct benchmarking exercises to ensure that we are competitive and aware of best practice.
- To use our buying power to influence social implications e.g. working conditions, ensuring disabled access in construction projects, Fair Trade employers and other sustainable impacts.
- To use our influence to help the Council achieve its target of a reduction in CO2 emissions of 3% per annum over the next 12 years.

## **(b) Making it easier for suppliers to do business with the Council**

It has for a long period been the aim of local authorities to encourage Small to Medium Enterprises (SME) to compete for council contracts, whilst maintaining its obligations under European Procurement Directives not to positively discriminate. This meets two objectives in that it is in line with the Councils obligation to promote local businesses but also stimulates the local economy towards increased community prosperity.

Government targets require that SMEs will win 30 per cent of all public sector business in the next five years.

The key to achieving an increase at Maidstone is for the Council to identify suitable opportunities and to ensure they are targeted or advertised in a transparent and appropriate manner and to issue documentation and procedures that are as clear and as simple as possible.

### **Steps Taken So Far:**

During the period of the last Procurement Strategy the tender documentation has been under constant review. It has now evolved from the bureaucratic, one document fits all used in past years to a smaller, simpler, reader friendly set of documents that can be tailored to suit the nature of the business opportunity.

All tender documentation is now available to be sent electronically via e-mail, which enables all bidders to receive the opportunity as soon possible and provides a Microsoft Word template to use as an aid to formulating their response. This extra time and template guidance can be advantageous to the SME without experience of tenders or a dedicated bid response team.

In line with other Councils in Kent, Maidstone has adopted a standard set of procurement rules. Included in these rules are new contract value thresholds for tendering. The requirement for a full tendering process now only applies to opportunities of £75,000 and above, replacing the previous £25,000 threshold. This enables Officers to select local SMEs to submit quotations where appropriate.

With the regard to advertising, Maidstone BC now uses, when appropriate, the Official Journal of the European Union (OJEU), Supply2Gov, its own web-site and the South Eastern Business Portal. The latter is felt to offer the best link to local SMEs.

As part of its Published Performance Indicators the Council is now measuring and reporting on the percentage of its spend is with local businesses. This will enable the Procurement Unit to monitor changes to the Council's spending ratios.

### **Future Aims**

During the period of the current Procurement Strategy the tender documents will continue to be revised to make them relevant to the proposed business requirement and easier to respond to.

Particular emphasis will be placed on the process and documentation regarding the selection of suppliers to participate in tenders or the Pre-Qualification Questionnaire (PQQ). Again the main drivers would be standardisation, simplicity and relevance, with the added requirement that the suppliers PQQ results can be stored for future reference.

Keeping the PQQ Documents simple will be especially challenging, when we consider the increased requirements to consider sustainability and equality, discussed elsewhere in this document.

One approach to be considered is the use of pre-selection or accreditation sites or services. To-date, this approach has not met the Council's need, being too general and often the data is out of date. It is believed that the services offered in the future will improve and become a viable option. It is also not considered viable or economic to operate our own select list of suppliers so the Kent County Council lists are being trialled.

Although not solely for the benefit of local SMEs, selection or qualification criteria that are not specific to a business sector will be standardised to avoid repetition. The new European Services Directive requires councils, from December 2009, to consider details of all relevant experience and qualifications supplied by potential bidders, including that obtained in the private sector and other member states.

Despatching the PQQ and ITT documents electronically via e-mail has been the method of choice for a number of years and this will continue. However the Council still requires the return of the completed documents to be in hard copy form. Government guide-lines require that all tender documentation should be issued electronically by 2010 and all tender replies to be accepted in an electronic form by 2012.

The main obstacle to accepting electronic returns is the difficulty of evaluating the submissions without resorting to printing hard copies, with the resultant printing costs and increased time factor falling to the Council. To date a workable solution to this problem has not been identified, but further developments in the area will be monitored in particular in regards to how other councils may approach this challenge.

In a Central Government commissioned report (Glover Report 2008) it is recommended that by 2010 all public sector contract opportunities above £20,000 should be advertised electronically across the whole public sector. Whilst this meets the objective for transparent comprehensive advertising, it could be argued as counter productive in the promotion of local SMEs, by opening the business to larger organisations.

When opportunities are especially suited to SMEs, it will be clearly indicated in the advertising. However as previously stated Maidstone's new procurement rules allow suitable suppliers to be selected to quote, for Council business under £75,000, without the need for universal advertising and a full tender process. This is the single most significant initiative to enable business to be funnelled directly to the local SME. Officers will be encouraged, when obtaining the required three quotes for opportunities between £10,000 and £75,000, to review the local supplies and services market as a first step.

To ensure that the maximum advantage is gained by local suppliers from the new procurement rules, awareness amongst Officers to the opportunity and obligation to increase business locally will be continually reinforced. This will be achieved through follow up sessions to the briefings held when the new procurement rules were adopted.

It is further proposed to investigate the viability of creating a register for local suppliers to record their interest in being considered for predefined business areas, if and when they arise. Such a list would then be circulated to main contractors, for consideration as sub-

contractors, during the full tendering process when the opportunity requires full competitive advertising.

## **(c) Developing Equality Practices within Procurement**

Maidstone Borough Council strongly supports and is committed to the promotion of equal opportunities and the securing of positive outcomes for all sections of the community. The two fundamental reasons for this are that;

The Council has a legal responsibility to ensure that the standards it has internally are supported by organisations which carry out work for the Council, and

It makes sure that the services the Council provides meet the diverse needs of the citizens it serves.

The Council already has in place its own policies on equality to ensure consideration is made to equality in the wider community by all of the Council's employees.

The Council's Corporate Equality Policy can be viewed here:

<http://vindex/HR/Documents/Corporate%20Equality%20Policy%20June%202007.pdf>

The Council also understands the responsibility it has as a major procurer of materials and services within the Maidstone area and beyond and that the suppliers and contractors with which it conducts business do so in a way that is both compliant with legislation and the Council's own policy on equality.

Current UK legislation states that local authorities must consider equal opportunities in their contracts, it is right therefore that the Council requires its suppliers to have similar or equal opportunity policies and procedures when dealing with issues concerning gender, race, disability, religious beliefs, sexual orientation, age and nationality.

Following guidance introduced within the "Equality Standard for Local Government" introduced in 2001 and revised in 2006, the Council has for many years used information gathered from its supplier equality compliance enquiries during tendering exercises, to ensure that suppliers applying for and subsequently awarded Council business are compliant with relevant legislation and enforces this with appropriate conditions as part of the services and supplies contracts it awards.

Future procurement activity clearly is one way in which Maidstone Borough Council can promote and enforce its equality objectives and it intends to respond positively to recommendations within, and any future guidance arising from legislation as a result of the "Equality Bill" introduced to the House of Commons and published during April 2009.

For procurement in particular the Government Equalities Office has stated that the wider objectives of the Equality Bill will be promoted by:

"Ensuring the £175 billion spent by the public sector has due regard to equality when buying goods and services supplied by the private sector , and that purchasing power can be put to good use to improve equality".

It is generally accepted that if not becoming law in its entirety, significant elements of the bill will find its way into statute within 6 to 18 months. As already mentioned it is the intention of procurement to embrace the new laws and wherever possible and practicable put into place a plan of actions to bring about compliance. Scope for the creation of actions and timescales for carrying them out have been factored within the Procurement Strategy action plan in Appendix A.

In the meantime and with regard to enhancing equality outcomes within its future procurement activity, objectives within this strategy will be to:

Discuss appropriate contracts with client departments to establish how future service specifications can be drafted to promote or enhance equality and diversity issues.

Ensure suppliers working for or providing materials to the Council are clear about our position on equality and are aware of the requirements placed upon them to adhere to our policy to promote equality in their own workforces to ensure public service delivery benefits from diverse skills and talents.

Review appropriate existing service provisions to identify equality improvement potential and manage contracts more effectively to secure the delivery of equality objectives.

#### **(d) Developing Shared Procurement**

The Council is a Member of the Mid Kent Improvement Partnership which is a collaboration between Ashford Borough Council, Maidstone Borough Council, Swale Borough Council, Kent County Council and Tunbridge Wells Councils to bring about improvements across a wide range of services. Whilst a number of the projects involve procurement of services, for example print management, legal services and revenues and benefits, there is a wider benefit to be gained from a more formal arrangement that has shared procurement at its core.

Over the years a number of different models have been proposed within various combinations of Kent authorities for collaborative procurement, with varying degrees of success. However, a long lasting, pro-active fully supported model has not been achieved for a variety of reasons, but mainly because of lack of funding for the arrangement.

A proposal for a new arrangement was agreed by the MKIP Programme Board in November 2009. As referred to earlier, the first stage of this project, to be completed by May 2010, will set the framework for future activity and comprises:

- An examination of existing contracts registers and financial information to obtain a comprehensive knowledge and understanding of expenditure on goods and services.
- Development of a combined contracts register.
- Examination of all existing contracts to get a comprehensive understanding of current contract start and finish dates, proposed tendering exercises and in-house/outsourced service provision.
- Agreement of a five year procurement programme.
- Comparison of existing policies and strategies to form the basis of a gap analysis.
- Agreement of core policies and strategies.
- Adoption of Kent wide contract procedure rules.

- Examination of staff costs and associated overheads and agreement of common charge out rates for agreed levels of staff.
- Agreement of a common set of key performance indicators and setting of annual targets covering a five year period.

Moving forward, the work completed during phase one of the project will form the basis of procurement activity to be carried out over the next five years. This will be managed by a group containing representatives from each MKIP member. The work of this group will include:

- Agreement of a work plan based on the 5 year procurement programme.
- Allocation of a lead to manage shared procurement projects.
- Identification of training requirements and arrangement of appropriate training.
- Collection, collation and analysis of data to record savings etc and to provide key performance indicators.
- Preparation of periodic reports to the MKIP Management Board.
- Discussion of issues arising within each authority and agreement of the appropriate action.
- Championing the development and alignment of strategies, policies, contract conditions etc.
- Provision of advice and support to service managers on all procurement matters including legal advice.
- Monitoring of compliance with legislation and best practice.
- Liaison with other similar groups in Kent to identify wider procurement activity.

At this stage no financial targets have been set for the savings from this procurement work, but clearly efficiencies will form an important part of the future programme.

#### **(4) Contact the Procurement Team**

If you require clarification or have any comments about the strategy or indeed wish to make contact with the Council on how it obtains the materials, services or works required to support its operations and services it provides within Maidstone then please contact Steve Trigg who is the Procurement Manager or the Team itself, details are set out below:

**E-Mail**     [procurement@maidstone.gov.uk](mailto:procurement@maidstone.gov.uk)

**Phone**     01622 602811

**Write to** The Procurement Unit  
Maidstone Borough Council  
Maidstone House  
King Street  
Maidstone  
Kent  
ME15 6JQ

#### **Maidstone Borough Council Website:**

[www.maidstone.gov.uk](http://www.maidstone.gov.uk)

#### **Other Useful Websites:**

South East Improvement & Efficiency Partnership Business Portal  
[www.businessportal.southeastiep.gov.uk](http://www.businessportal.southeastiep.gov.uk)

Office of Government Commerce:  
[www.ogc.gov.uk](http://www.ogc.gov.uk)

Improvement and Development Agency  
[www.idea.gov.uk](http://www.idea.gov.uk)

Federation of Small Businesses/South East Policy unit website:  
[www.fsb.org.uk/se.asp](http://www.fsb.org.uk/se.asp)

Audit Commission  
[www.audit-commission.gov.uk](http://www.audit-commission.gov.uk)

**APPENDIX A**

**Procurement Strategy Action Plan**

This action plan will implement the improvements over the three years covered by this strategy. Progress against this plan will be assessed annually and updated as necessary.

<b>Task</b>	<b>Comments</b>	<b>Target Completion</b>	<b>Corporate Objective</b>
<b>Sustainable Procurement</b>			
1) Monitor Group 1 supplier's ongoing environmental awareness and progress.	Review environmental aspects of contracts, with client departments. Obtain fresh environmental surveys from Group 1 suppliers on each anniversary of the contract.	December 2010 for existing contracts. Review progress April 2011, October 2011 then April 2012.	Working actively to reduce our environmental impact and promoting and facilitating moves towards sustainability within our private and public sector partners and local communities.
2) Introduce electronic invoices where possible.	This process has already started but there is potential to work with more suppliers to move towards electronic invoicing.	Review progress April 2011, October 2011 then April 2012.	
3) Simplify pre-qualification and tender documents to reduce paper and printing costs.	It is intended that the latest version of the PQQ and ITT documents should be fully revised by June 2010 however this is subject to continual refinement.	June 2010 for updating the PQQ & ITT documents but ongoing development due to changes in Procurement practices.	
4) Development of a mechanism to evaluate whole life costs for each applicable tender.	A standard form has been created for this purpose and some tenders have considered whole life costs but more work could be done on this.	Review progress April 2011, October 2011 then April 2012.	

Task	Comments	Target Completion	Corporate Objective
<b>Making It Easier For Suppliers To Do Business With The Council</b>			
5) Review pre-accreditation service providers as a way of reducing the number of forms that suppliers need to complete.		April 2011.	
6) Consider Kent wide standard tender documents.	Allows suppliers to become familiar with what is required and their details can be shared across the Kent authorities rather than having to provide the same information on each occasion.	October 2011.	
7) Investigate viability of creating a register of local suppliers.	Suppliers would be able to pre-register to receive tenders relating to products or services that they are compatible with.	December 2011.	
8) Source or develop an appropriate electronic system for receiving and recording tender returns and ensuring that they are 'sealed' until the opening time.	There is a Central Government recommendation to be able to receive electronic tenders by 2012.	October 2011.	
9) Review Council website and ways that information can be provided to SMEs.	Already commenced but will consider involvement with the Federation of Small Businesses to promote opportunities and enable us to understand what we need to do to help SMEs with tendering.	Ongoing	

Task	Comments	Target Completion	Corporate Objective
<b>Developing Equality Practices Within Procurement</b>			
10) Introduce measures to monitor suppliers' equalities procedures, working conditions, disability access and other social implications.	Be mindful of the Equalities Bill and any other changes in this legislation.	October 2010.	Promoting equality of opportunity.
11) Creation of Kent wide equality documentation and procedures.		April 2012.	

<b>Task</b>	<b>Comments</b>	<b>Target Completion</b>	<b>Corporate Objective</b>
<b>Developing Shared Procurement</b>			
12) Review Council's expenditure to identify & provide opportunities for future savings & efficiencies through collaboration.	This could provide new opportunities for the renewal or creation of new corporate supplies and service contracts.	October 2010.	Observing high levels of corporate governance, integrity and transparency in all that we do.
13) Explore and develop opportunities for partnership working.	Discussions currently underway with Tunbridge Wells Borough Council on procurement.	Ongoing.	Working in partnership with others to maximise our effectiveness.
14) Develop a combined contracts register with the other Kent authorities.	The start of this information was obtained in 2009 but this needs to be input and maintained on a database that's agreed with all authorities.	June 2010.	
15) Agree a five year Procurement Plan with all interested Kent authorities.		April 2011.	
16) Adopt agreed core policies, strategies and key performance indicators and setting of annual targets covering a five year period.		October 2011.	
17) Comparison of existing policies and strategies within Kent authorities to form a gap analysis.		April 2012.	
18) Examination of staff costs and associated overheads to agree charge out rates.		June 2010.	

Task	Comments	Target Completion	Corporate Objective
<b>Others</b>			
19) Introduce annual financial health checks for Group 1 suppliers.	Conduct financial checks on Group 1 suppliers that were awarded a contract more than a year ago, by Dec 2010. Then conduct a new financial check on the anniversary of each Group 1 contract.	December 2010 for existing suppliers then ongoing.	Placing customer care at the heart of the organisation.  Striving for excellence and continuing improvement in our desire to be a top performing authority.
20) Training Council officers to ensure they are informed of their purchasing responsibilities.	Maintaining compliance with contract procedure rules & financial thresholds.	Refresher training or training new staff.  Ongoing.	

## SCRUTINY COMMITTEE RECOMMENDATION ACTION AND IMPLEMENTATION PLAN (SCRAIP)

**Committee:** Corporate Services Overview and Scrutiny

**Meeting Date:** Tuesday 2 February 2010

**Minute No:** 95

**Topic:** Procurement Strategy – Draft for Consultation

### Extract from draft minutes:

“In response to a question, Mr Trigg explained that when the contract procedure rules had been amended, Heads of Service had been asked to send relevant officers to training sessions on this and detailed guidance notes had been provided. Training for new officers with procurement responsibilities was not well-embedded in the induction process and was the responsibility of line managers and Heads of Service. The Committee agreed that ensuring new officers with procurement responsibilities were adequately trained in the Council’s procurement processes was vital and recommended that this be included in the induction process for relevant officers.”

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Resolution <sup>i</sup>	Chief Officer <sup>ii</sup>	Response <sup>iii</sup>	Timetable <sup>iv</sup>	Lead Officer <sup>v</sup>
That training be provided to new officers with procurement responsibilities as part of the induction process.	Claire Hayes/Steve Trigg	The induction form will be amended to remind the line manager that new members of staff who have procurement responsibilities should contact the procurement team for appropriate training.	February 2010	Claire Hayes

### Notes on the completion of SCRAIP

<sup>i</sup> Resolutions are listed as found in the minutes of the relevant meeting.

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ii Insert in this box the Chief Officer whose service the resolution falls within.

iii The Officer responsible for responding to the resolution should indicate in this box an explanation of the action to be taken to implement the resolution. Please also complete the 'timetable' and 'lead officer' boxes.

iv The Officer responsible for responding to the resolution should indicate in this box when the action indicated in the previous box will be implemented.

v The Officer responsible for responding to the resolution should indicate in this box the Officer responsible for the implementation of the action highlighted in the 'response' box.