



Strategic Sourcing

**Delivering Customer Focused Outcomes
and Value for Money through
Commissioning and Procurement**

Interim Strategy 2009-2011 v1.0

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1. Executive Summary

1.1 Introduction

Local Government is increasingly expected to deliver more for less in the current economic climate and as such the demands on procurement is increasing as Services look to procure goods and services more efficiently to meet the changing needs. A recent government report indicated that 57% of efficiencies would come from smarter procurement. As the Council is currently undergoing a cross-cutting review, this is an interim strategy to cover financial years 09/10 and 10/11. It covers the whole sourcing cycle from the identification of need through to contract award and management as well as the internal ordering process.

1.2 Where are we heading?

The focus is to deliver value for money whilst ensuring the needs of our customers are met. A key to this is through working in collaboration with our partners (see 2.3) in order to deliver more for less. Thus, the three main aims of this strategy are:

- Deliver customer focused outcomes;
- Maximise the potential of our people by providing leadership and building capacity;
- Improve economic, environmental and social opportunities for our Borough by stimulating markets and achieving community benefits.

These aims not only reflect the needs of the Council but also compliment the National Procurement Strategy and the North West Improvement and Efficiency Partnership (NWIEP) Strategy. How we are going to achieve these aims are detailed in Appendix 1.

1.3 How are we doing?

Significant improvements have been made since the previous strategy was introduced in 2006. These include:

- Increased collaborative contracts both locally and nationally, including the award winning AGMA Agency Staff Contract awarded to Comensura.
- Focus on efficiency targets has resulted in efficiencies achieved have doubled year on year over the last two financial years.
- Introduction of eProcurement systems and improved usage of these systems. At time of writing, Rochdale are the AGMA lead for The Chest eTender portal.
- Focus on customer needs such as the improvement made through the Supporting People Procurement Strategy.
- Better access to training and development across commissioning and procurement officers.
- Think Local events opened to a wider supplier audience, with targeted events planned has increased attendance from 100 suppliers in 2007/08 to over 300 in 2009/10 year to date.
- Standard procurement documentation introduced across areas such as Equality and Diversity and sustainable development.
- Increased knowledge on Council spend through improved data collection and the soon to be launched AGMA Spend Analysis Tool, QlickIT.

1.4 How are we doing with others?

1.4.1 External

Procurement is governed by E.U. and U.K. legislation and Rochdale Council fully supports the National Procurement Strategy as detailed in the aims set out in Appendix 1. The Corporate Procurement Team ensure that all legislation is met.

1.4.2 Internal

Internal governance has been strengthened through the review of the Contract Procedure Rules and Financial Regulations. All procurement projects with a transformational element are subject to approval by the Stepping Up Board and a key to the future success is for further pro-active communication to all Officers to ensure the objectives are met.

1.4.3 Supplier Relationship Management

A large part of this strategy focuses on supplier relationship management, an area where improvement is needed across the Council. This section of the strategy aims to provide an overview of how we work with suppliers as well as how suppliers can work with the Council. In conjunction with Client Services and Regeneration, improvements are being made in this area, in particular to open opportunities to the local supply base. This is coupled with more consistent setting of KPIs to provide a measurable picture of supplier performance.

1.4.3.1 The Local Supply Chain

This strategy needs to address the balance between delivering value for money and engaging local suppliers. A number of initiatives have been put in place to widen the awareness of public sector opportunities to local businesses, including the popular Think Local events that have been held across the Borough since 2006 and the signing to the SME Concordat, which has now been co-signed by Link4Life, the NHS and RBH. Based on feedback from suppliers, a single point of contact is preferred and so the Council has developed a single point of access via The Chest for tenders and Requests for Quotes (RFQs). Further initiatives are being driven by Corporate Procurement and Regeneration.

1.5 How are we going to meet our objectives?

Getting procurement right is important not only because it is about improving the delivery and cost effectiveness of quality public services to our customers across the Borough, but also because the choices we make on a contract or partnering agreement signifies the type of authority the Council wants to be and how we want to be seen now and in the future. The overall success of commissioning and procurement is realised through achieving project-based targets and outcomes and financially by meeting the targets set under the efficiency programme whilst ensuring the strategic outcomes of each service is met. Effective services cannot be delivered without a responsive and motivated workforce that holds customer focus at the core of all activity and continual improvement is going to be pivotal to this strategy meeting its aims.

2. Introduction

The Council is going through a process of change and as such the needs of commissioning and procurement are likely to change over the next two years as it supports the wider efficiency programme. This strategy has been produced to lead the Council through this period and a new strategy will be produced to reflect the changes of the restructured Council as a result of the cross cutting reviews by the end of the Financial Year 2010/11.

2.1. What is commissioning and procurement?

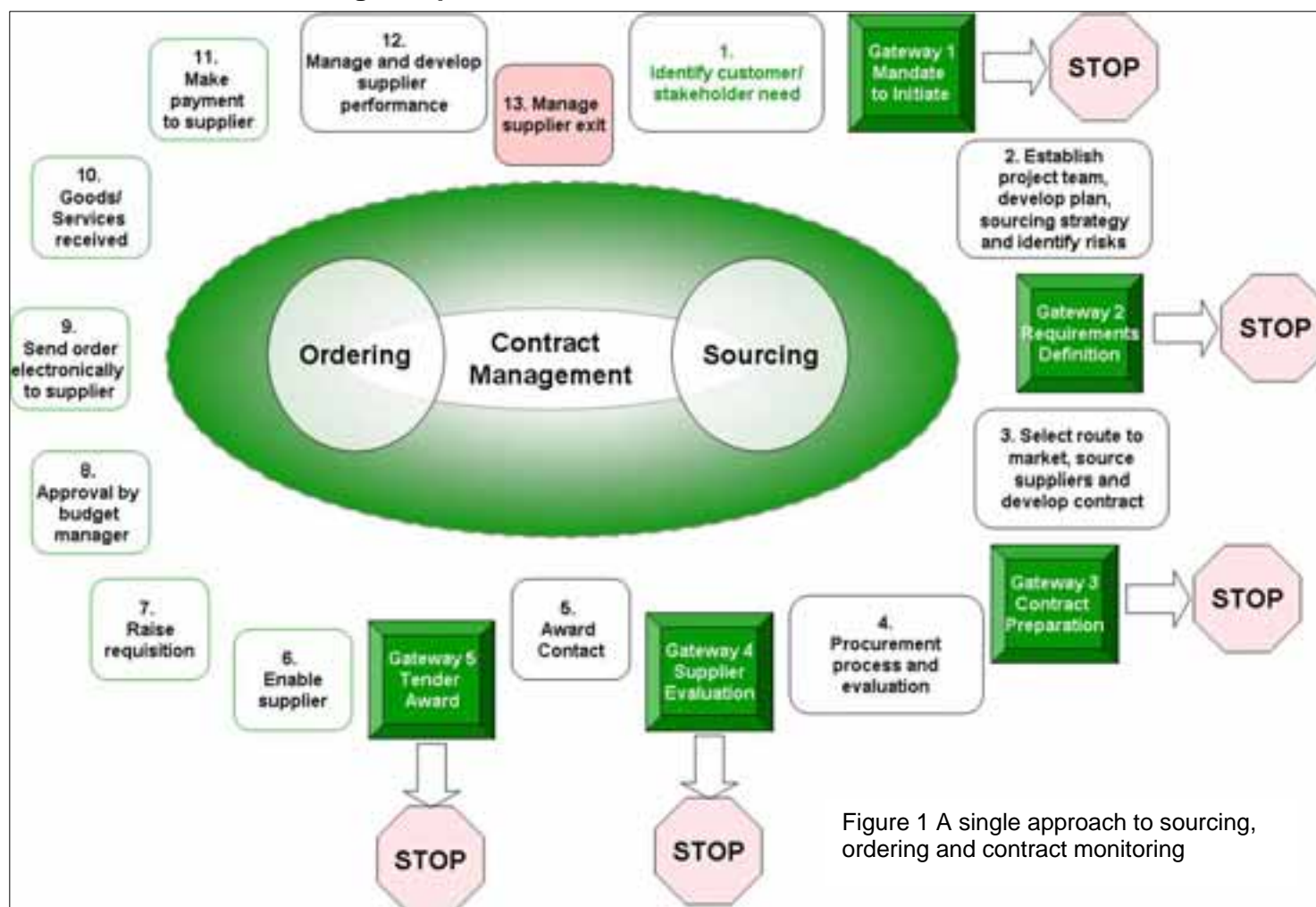


Figure 1 A single approach to sourcing, ordering and contract monitoring

2.1.1. Commissioning and procurement are interrelated functions that at a very basic level start with the identification of a need through stakeholder and customer consultation that are then taken through the process of sourcing the best delivery option (make or buy) based on the intended outcomes. From the initiation of any project this would then follow a number of stages as shown in Figure 1, right. Stages one to five cover the sourcing process and incorporates the Gateway review process as any high risk/value procurement should follow at Rochdale Council. The process is scalable to reflect the value and or risk associated with each project. Stages six to 11 cover the internal purchase order process with 12 and 13 related directly to supplier management. In order to achieve the Council's aims and to deliver first class services to local residents and businesses for the best value for money, it is vital that good practice is shared across all Service areas and common standards are used. Improvements are needed across all areas within the Council if we are going to exceed our customers expectations and deliver more for less and hit our efficiency targets.

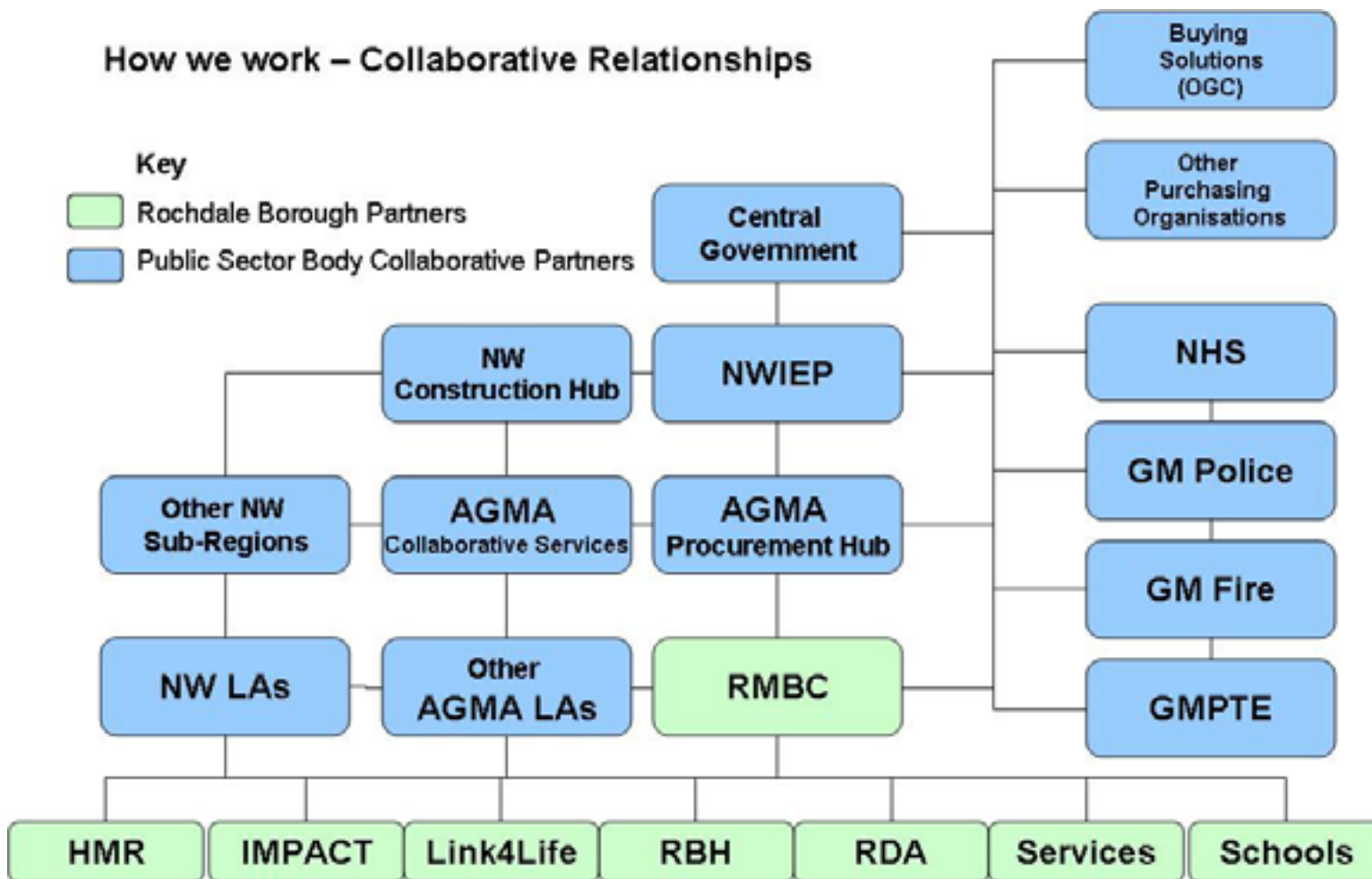
2.2. Delivering value for money

2.2.1. 'Obtaining "best value for money" means 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 stages 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.’ Extract from The National Procurement Strategy for Local Government and used across Council projects as standard.

2.3 How we work

2.3.1. Rochdale Borough has long been a place where co-operation and collaboration has existed and procurement and commissioning seeks to emulate these behaviours. The diagram below has been created to provide an overview of the key relationships and interdependencies. Those direct relationships across the Borough are highlighted in green (the lighter shade in black and white copies). Those in blue (the darker shade) are external to the Borough. Rochdale Council has links to all the wider organisations through the regional structure and meets regularly with Association of Greater Manchester Authorities (AGMA) colleagues to deliver efficiencies across all Council services. AGMA in turn has a direct reporting line into the North West Improvement and Efficiency Partnership (NWIEP) which links in the other sub-regional groups (Merseyside, Cheshire and Lancashire). The Council also benefits from collaboration with national purchasing organisations such as Buying Solutions (eg energy procurement) and collaborates locally with partners such as the NHS on Joint Commissioning initiatives for people across the Borough.



2.3.2. In order to provide a strategic direction across the borough, it is important that Corporate Procurement builds effective relationships with our Services and Partners. In this way the Borough will benefit from greater economies of scale and avoid duplication of roles. At the sub-regional, regional and national level, a number of contracting and framework opportunities exist that can support Rochdale Council’s efficiency plans. The challenge for commissioning and procurement officers is to find the right balance between delivering efficiencies and balancing the use of collaborative agreements with that of the local suppliers and other sustainability issues. It is felt that the best way to achieve this is to have an active involvement in regional and national activities in order ensure our needs are met and to relay the opportunities back to our local suppliers in order for them to engage in the process. More detail can be found in Sections 4 and 5 and the Appendix of this document.

3. Where are we heading?

In order to effectively deliver the Council's objectives of developing a **thriving place where people want to live, work, visit and do business** we must endeavour to deliver value for money when sourcing goods, services and works. Whatever it was that got you where you are today is not sufficient to keep you there, or in other words, doing what we've always done is not be enough to meet changing needs. Our aims, therefore, are forward looking and seek continual improvement through all activities as identified below.

3.1. Aims

3.1.1. The Council currently faces a number of pressures both financial and social that more than ever before has increased the focus on delivering more for less. In a recent government report, it was stated that 57% of efficiencies are expected to come from better procurement and so this strategy aims to contribute towards Rochdale Council's efficiency programme and the National Procurement Strategy and use strategic sourcing to:

- Deliver customer focused outcomes;
- Maximise the potential of our people by providing leadership and building capacity;
- Improve economic, environmental and social opportunities for our Borough by stimulating markets and achieving community benefits.

3.1.2. These three aims are underpinned by excellent customer service values and a commitment to partnership working within the Borough and the four Townships of Heywood, Middleton, Rochdale and the Pennines. Partnership working and collaboration also features strongly as we look beyond our boundaries to deliver best practice procurement and commissioning whilst balancing the needs of the local economy.

3.2. Deliver customer focused outcomes

3.2.1. We will ensure that customers' needs are central to all activities by providing services that:

- Maximises the use of shared opportunities and collaboration with partners across the Borough, AGMA, the North West and nationally and ensuring opportunities are available for local suppliers;
- Review spend areas on a regular basis and provide better data to lead to informed sourcing decisions;
- Ensure benefits are realised to achieve the efficiency savings targets set on procurement spend;
- Improve the way we do business electronically, reducing the burden on suppliers through the tendering process.

3.3. Maximise the potential of our people

3.3.1. In order to deliver value for money, it is necessary to have the right people with the right skills and experience in the right roles. The National Procurement Strategy places a great deal of emphasis on providing leadership and building capacity. In order to contribute towards the Council's objectives, all procurement and commissioning functions:

- Regularly review skills and capabilities of staff, introducing career grades and continual professional development as standard;
- Utilise national, regional and sub-regional resources to develop in-house skills and capabilities;
- Enhance internal skills and capabilities with those of our strategic partners and other external resources as required by providing a strategic direction for the Borough.

3.4. Improve economic, environmental and social opportunities for our Borough

3.4.1. In addition to the financial obligations commissioning and procurement has within the Council, these functions are also in a strong position to drive through social change and contribute towards developing sustainable communities. Again, this is one of the key features of the National Procurement Strategy and in order to contribute towards the Council's objectives, all projects need to take into consideration the impact on the four areas of sustainable procurement, Economy, Environment, Equality and Diversity and Ethics, in all commissioning and procurement activities as standard. Robust KPIs need to be put in place to measure and reporting on these areas as can be seen in Appendix 1.

4. How are we doing?

The way we commission and procure is changing and a great deal of focus has been put on this area as the need for greater efficiencies has arisen. Since the last strategy was approved in 2006, there have been significant improvements in the way we work and the outcomes that have been delivered to our customers. A brief overview is available below of recent successes in relation to the aims outlined in Section 3, above.

4.1. Deliver customer focused outcomes

4.1.1. Rochdale Council has increased its participation in AGMA collaborative agreements as well as national contracts since the last strategy was produced. Not only have we participated, but we have taken the lead in a number of diverse areas from fostering initiatives to travel contracts. Rochdale also chairs The Chest user group for AGMA. The Chest is the Council's preferred online tendering system, used across all Greater Manchester authorities to improve the way we work with local companies and the commitment to doing business electronically by having a single point of contact for all suppliers. All relevant Services are also actively engaged with the AGMA Collaborative Services Group, which is championed by Rochdale's Chief Executive, Roger Ellis. Through better working with the newly formed AGMA Procurement Hub, it is expected that even greater benefits will be derived for customers in the coming years.

4.1.2. From an internal perspective, the Corporate Procurement team have led developments with our internal processes and systems in line with the National Procurement Strategy. Whilst The Chest is still in the process of being rolled out across the Council and strategic partners, improvements to the Civica eProcurement system has reduced non-standard orders from over 90% to less than 40%. With the expectation of approximately 20% of orders remaining as non-standard due to their nature, the remaining target should be achieved following a comprehensive spend review with all Services that is currently underway and due to be completed in 2010. These initiatives have also contributed almost 50% of the procurement related efficiency targets to date, with further expected to be realised as part of the Service spend reviews.

4.1.3. Across the Services, increasing focus is being given to identifying customers and their needs and ensuring they are included within the process. In the last year, the Supporting People Procurement Strategy made significant headway with user groups established to feed into the procurement process. Support seconded in from the Corporate Procurement team over this period will now ensure that this good practice is shared across other Services. Involvement in events such as the Equality and Diversity Listening Event has also increased in put from local residents. Regular Think Local events are also held to increase knowledge and awareness in the supplier base.

4.2. Maximise the potential of our people

4.2.1. Commissioning and procurement is dispersed across the Council and a thematic review has been initiated as part of the wider efficiency programme to consider the future organisation of the function. Initiatives such as the Commissioning and Procurement Briefing sessions have helped to ensure learning across all relevant staff. This will be supported by AGMA and NWIEP and learn from developments across other authorities to ensure Rochdale has fit for purpose commissioning and procurement capabilities to carry out the objectives within this strategy. To compliment this activity, AGMA has already commenced a programme of capacity building with events planned from September 2009 onwards and external resources have been utilised to support certain projects. Internally, all staff has access to a wide range of personal development opportunities from the Enterprising Leadership programme for managers, through to the Bright Futures initiative. Other programmes are also available from the Council's Learning and Development Centre such as coaching and management training courses. Workforce development plans are also being developed.

4.3. Improve economic, environmental and social opportunities for our Borough

4.3.1. Since signing the SME Concordat in 2006, there has been an annual Think Local event for suppliers to gain access to information and awareness of Council's contracts. In 2008, the number of events was increased to three a year to provide a more regular channel of face to

face communication in addition to information available on the internet and a single point of contact made available via The Chest. To complement this, the Economic Affairs Team has put on a number of business support seminars to help local businesses be competitive in the marketplace. Rochdale Council also achieved Level 4 of the Equality Standard and Corporate Procurement is working to support the new Single Equality Bill. Further development is needed to identify targets for environmental and ethical working, but with the investment in the new Sustainable Development team, this is expected to improve significantly in the next 12 months with work underway on a Sustainable Procurement Policy and whole life costing on key projects. An increased focus has also been put on Energy Management with a cross-functional team now focusing on delivering both efficiencies and reducing the Council's carbon footprint.

4.4 Performance

4.4.1. The Council is required to conduct a self-assessment against the Value for Money (VFM) criteria and a number of indicators are set on which procurement can be measured. 'Efficiency gains' are also reported via the Annual Efficiency Statement and the National Procurement Strategy advises a self-assessment of our commissioning and procurement management practices. The diagram to the right shows how these self-assessments might feed into the new Use of Resources judgement under the new **Comprehensive Area**

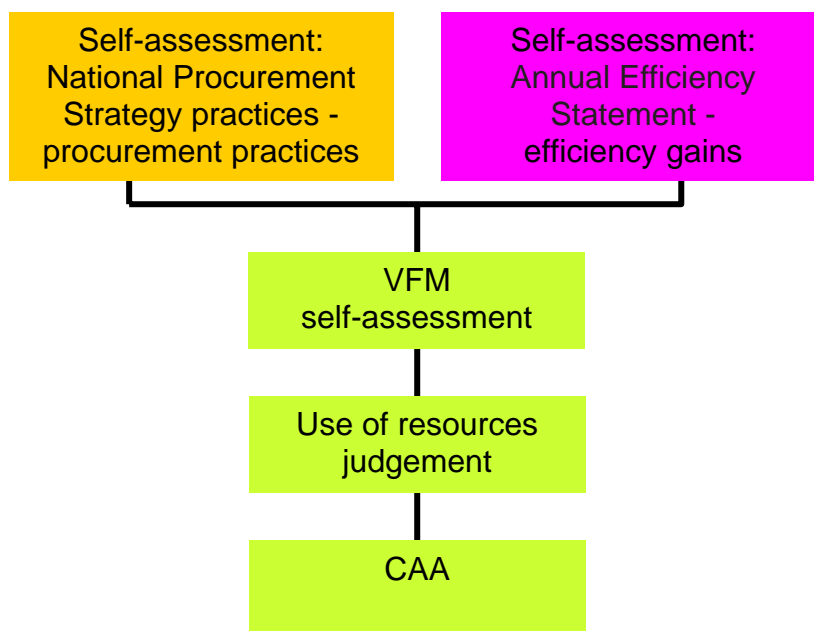


Figure 2 Procurement Performance. Source: Adapted from Taking Stock - The National Procurement Strategy for Local Government One Year On

Assessment (CAA) which replaced the Comprehensive Performance Assessment (CPA) from April 2009. This marks a significant change to the current assessment regime and will focus on the use of resources, with procurement featuring as a key element. At the time of writing the outcome of the first assessment is unknown.

4.4.2. In the coming financial year, Corporate Procurement is continuing to benchmark current procurement activity with more reliable data that will be made available from the AGMA Procurement Hub via QlickIT in order to set robust performance indicators to:

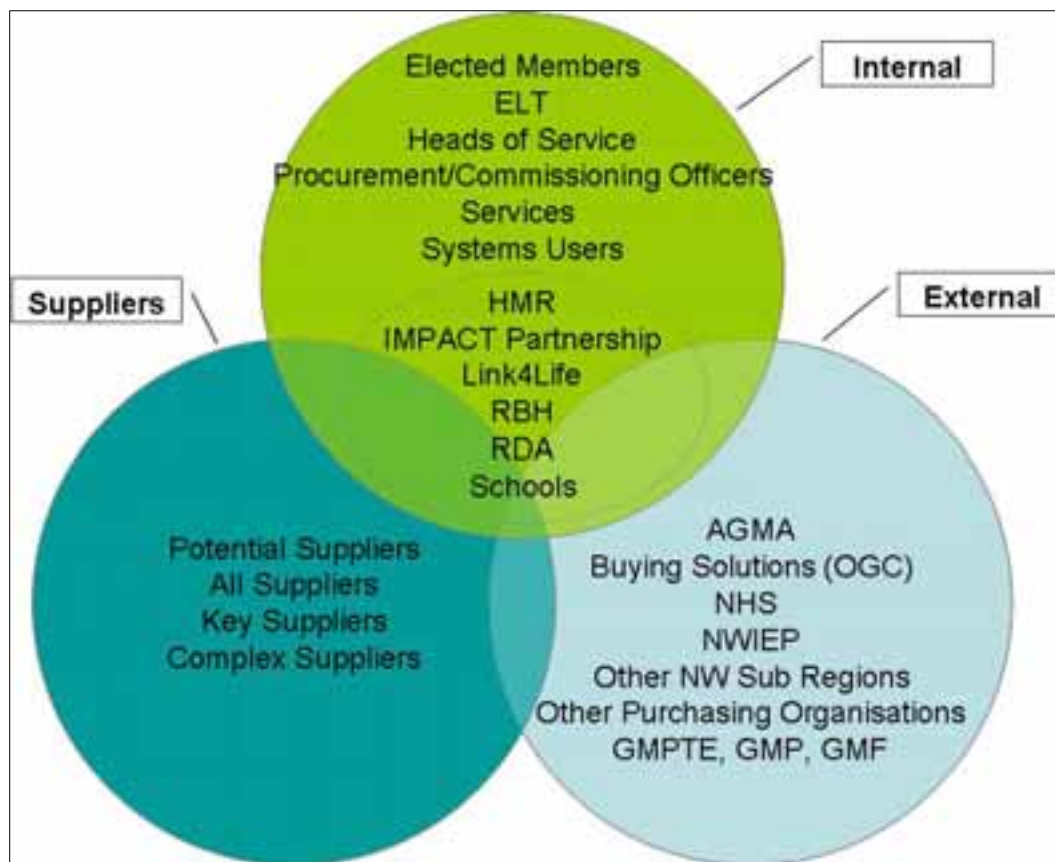
- Annually review our approach to sustainable procurement;
- Establish the baseline performance for major projects;
- Ensure the cost of goods and services are considered over the whole-life of the contract, including maintenance and disposal costs, in our assessment of value for money.

4.4 Risk Management

4.4.1. In the current environment, challenges to tenders are increasing, in part due to the current economic climate and part due to increased awareness. As a Council, we need to make sure we keep up to date with relevant changes and regularly review documentation in order to meet our statutory requirements and make our processes and requirements as fair, open and transparent as possible. Our customers and suppliers need clear information on controls and standards, allowing a flexible approach to procurement that delivers on the outcomes. The introduction of The Chest provides a full audit trail for all tenders and will lessen the risk of challenge, but further work is needed on risk management and identifying priority customers and suppliers to review accordingly. All procurement documents are currently under review and, where relevant, will be sent to Elected Members for review.

5. How are we doing with others?

Public sector relationships are complex and diverse and this section is designed to provide an overview of the key elements which impact on the service delivery to our customers and service users. This has been broken down into three key areas: external relations, which covers all public sector relations outside the borough, internal relations, including those strategic partners and other public sector bodies with purchasing power and suppliers.



sector relations outside the borough, internal relations, including those strategic partners and other public sector bodies with purchasing power and suppliers.

5.1. External

5.1.1. The procurement service is governed by legislation and policies including the E.U. Directives, U.K. Legislation and the National Procurement Strategy. In addition, a number of key reports impact on the future direction of commissioning and procurement from the 2004 Gershon Report: 'Releasing Resources to the Front Line', to the more recent Roots

Reports and HM Treasury Operational Efficiency Programme, 2009.

Figure 3 Procurement Relationships

5.1.2. Rochdale Council fully supports the National Procurement Strategy objectives to:

- Promote the creation of shared services and joint procurement;
- Accelerate implementation of eProcurement;
- Prioritise actions that deliver efficiencies;
- Engage elected members in the wider efficiency agenda;
- Open markets to small firms and the voluntary and community sector.

5.1.3. At a local level, these objectives are incorporated into delivering the Council's key objectives as part of the Aiming High Strategy as detailed in Appendix 1. The Council is committed to using innovative approaches to procurement to achieve value for money and deliver efficiency savings as per the set targets. We fully participate in AGMA and NWIEP initiatives and ensure that innovation and best practice is disseminated throughout the Council.

5.2. Internal

5.2.1. The procurement service is governed by internal policies and procedures in the Contracts Procedure Rules and Financial Regulations. In addition, all transformational projects are subject to approval by the Stepping Up Board. One key objective of this strategy is to improve relations across the internal network to ensure a greater level of consistency in the quality and outcomes from commissioning and procurement activity. As part of the efficiency programme, a complete review of the commissioning and procurement function across the Council is being undertaken as previously mentioned, with outcomes expected in 2010-11.

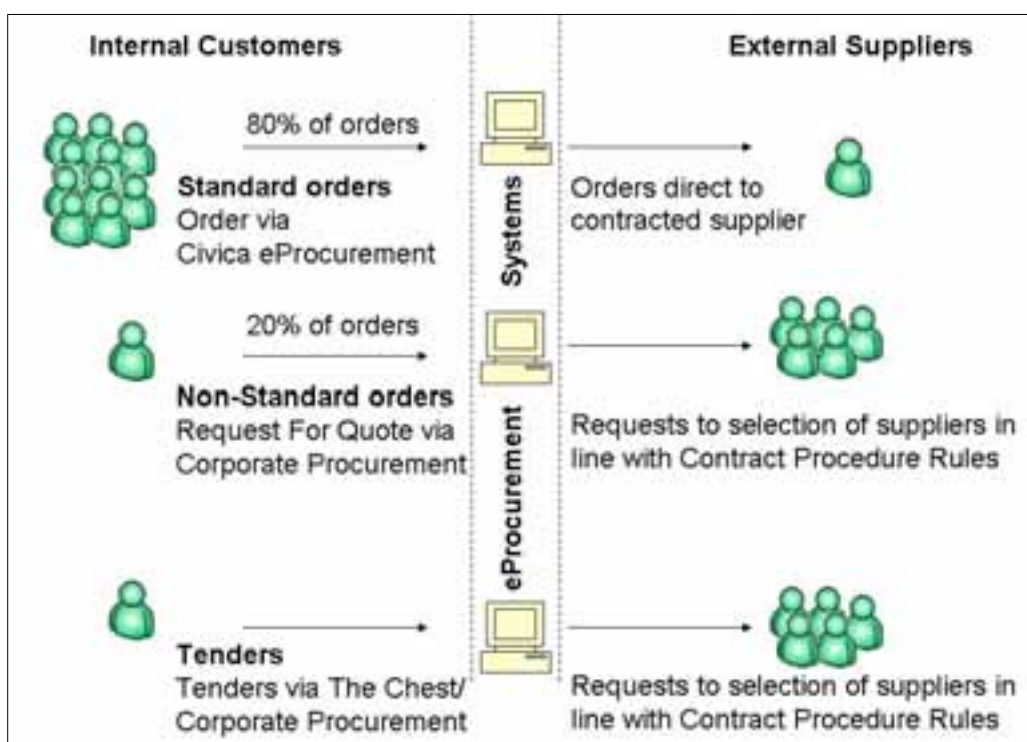
5.3. Supplier Relationship Management

5.3.1. In order to maximise our partnerships with suppliers, it is important to have clear processes and procedures. Corporate Procurement manages all back office electronic procurement systems (eProcurement) that internal users and external suppliers interface with. In the case

of the Civica eProcurement system, this is jointly managed with Finance, allowing for clear delegation of roles and responsibilities to avoid any misuse of the system.

5.3.2. Figure 4, below left, depicts the three main ways internal users and suppliers interface through the systems. All ordering and financial processing is via the Council's Civica Financials/eProcurement System, with the target of 100% of all orders having a purchase order generated through the system, of which, it is anticipated 80% will be standard orders with contracted suppliers. The remaining orders are raised via the Request for Quote (RFQ) functionality as directed by Corporate Procurement. Suppliers should not take orders from any other source, including verbal orders, as invoices may not be paid.

5.3.3. In respect of the management of our supplier relations, suppliers can be divided into different groups and the management approach would reflect the Council's needs. This is indicated in Figure 5 below right. Complex suppliers, such as the Council's strategic partners, are currently managed by Client Services. The Partnership Toolkit has been developed to set the standards of contract monitoring across the Council and is in the process of being embedded and the relevant aspects being adopted for contract monitoring through our key suppliers and all other suppliers currently used by the Council. More consistent management at this level is



needed in terms of setting KPIs, premiums and penalties in relation to performance and constant review by the contract manager. A key aspect of Corporate Procurement's joint working with the Regeneration Service then focuses on stimulating the marketplace and identifying potential suppliers for future opportunities. It is in this area that our focus turns in particular to the local supply chain.

Figure 4 Suppliers point of contact

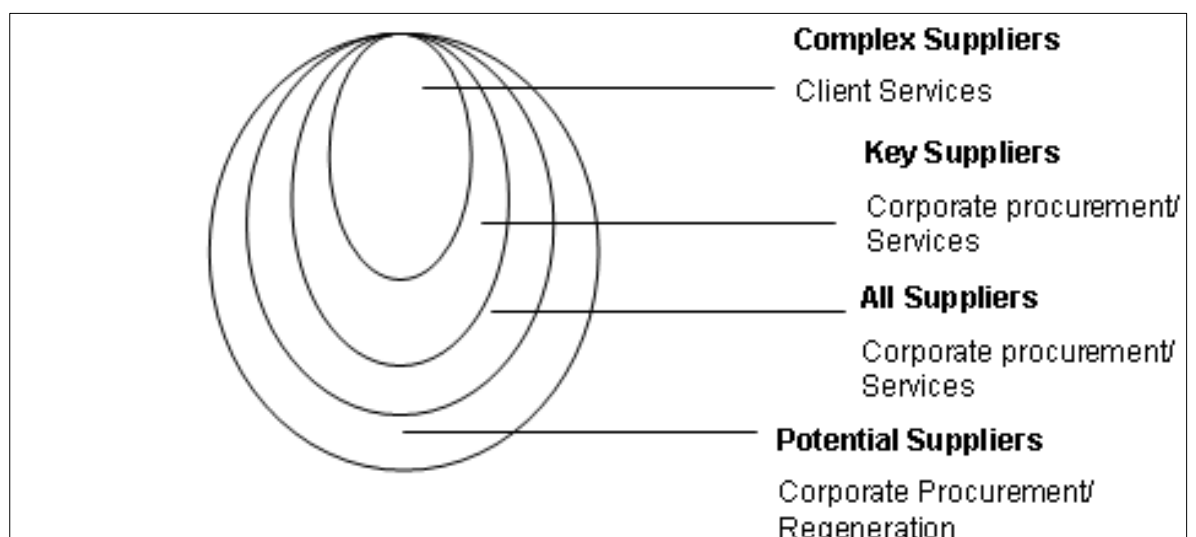


Figure 5 Supplier Relationship Management

5.4 The Local Supply Chain

5.4.1. In line with the Council's aim to create a thriving place where people want to live, work, visit and do business, this strategy needs to address the balance between delivering value for money and engaging local suppliers. Defining 'local' generates a high degree of debate but ultimately, the term 'local supplier' refers to any company whose presence in the Borough provides significant benefits to the local community, particularly through employment and training opportunities.

5.4.2. A number of initiatives have been put in place to widen the awareness of public sector opportunities to local businesses, including the popular Think Local events that have been held across the Borough since 2006 and the signing to the SME Concordat, which has now been co-signed by Link4Life, the NHS and RBH. Further plans have been put in place in order to deliver on the targets set in the action plan in the appendix of this document.

5.4.3. In context, the Council procures under the legislation as set down by the European Union and enforced throughout the UK. These rules have been put in place to ensure that open competition takes place for all public sector contracts. At a basic level, all contracts with a cumulative total value of £139,000 for goods and service and £3.5m for works needs to be tendered and published in the Official Journal of the European Union (OJEU) to ensure all organisations across Europe can compete for the opportunity. These thresholds are subject to biannual updates from the EU and full details are available from the [OGC website](#). For goods, services and works under these set values, there is a greater degree of flexibility in procurement, but strict guidelines are still in place to ensure that suppliers are selected on merit and a fair and transparent process has taken place.

5.4.4. Across all contracts focus is being turned to the local economy and through work with internal services such as Regeneration and external organisations such as the Greater Manchester Chamber of Commerce, Business Links, North West Development Agency, the North West Construction Hub and more locally J21 and Rochdale Development Agency (RDA) more training and information is being provided to the local supply base to ensure they are competitive when tendering for Council business. For higher value contracts, standard local labour clauses and central government initiatives such as Promoting Skills through Public Procurement, jointly developed by the OGC and the Department for Innovation, Universities and Skills, are being encouraged through the procurement process.

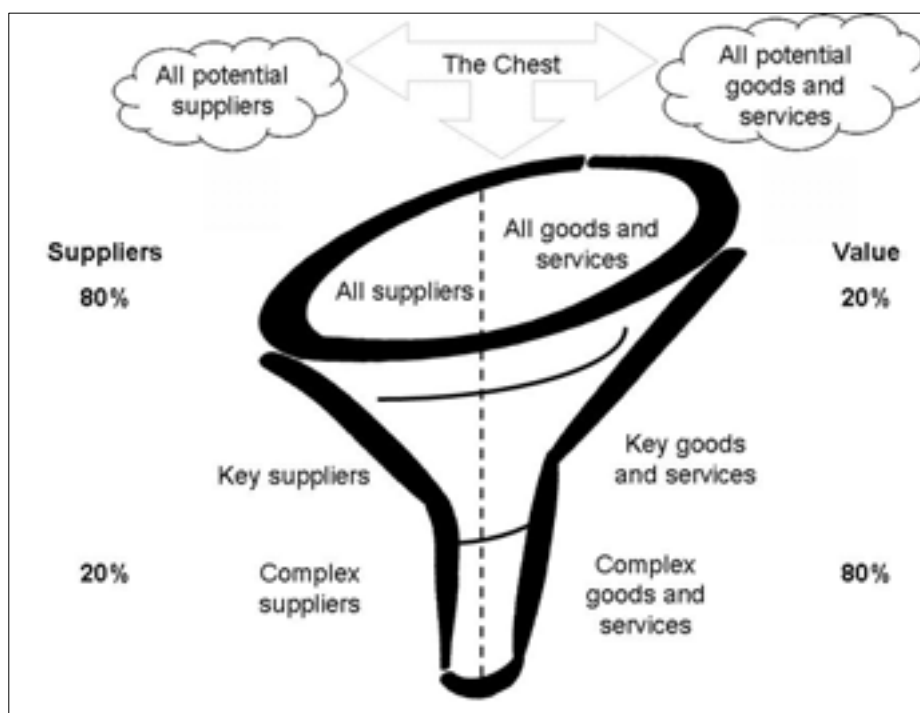


Figure 6 Potential suppliers single point of contact

5.5. Creating a Single Point of Contact

5.5.1. For any potential suppliers, the Council has developed a single point of access via The Chest for tenders and Requests for Quotes (RFQs). Figure 6 shows the relationship between suppliers and the provision of goods and services with the potential for all opportunities to be promoted via The Chest. Opportunities can also be found on ConstructionLine for building and works related opportunities and Supply2.gov.uk* for all other opportunities.

*Please note, the management company behind supply2.gov.uk automatically upload the Council's opportunities from The Chest and may include contract award notices. Rochdale Council has no control over this and apologises in advance to anyone who is mistakenly led to believe that an opportunity is available from the Supply2.gov.uk website. If in any doubt, please refer to The Chest or contact Corporate Procurement.

6. How are we going to meet our objectives?

Getting procurement right is important not only because it is about improving the delivery and cost effectiveness of quality public services to our customers across the Borough, but also because the choices we make on a contract or partnering agreement signifies the type of authority the Council wants to be and how we want to be seen now and in the future. It is in this spirit of partnership that we can also take advantage of our collective buying power across sectors to negotiate lower prices or to develop better products and services.

6.1. Measuring success

The overall success of commissioning and procurement will be realised through achieving project-based targets and outcomes and financially by meeting the targets set under the efficiency programme whilst ensuring the strategic outcomes of each service is met.

6.2 Procurement efficiency related projects

Figure 7 to the right outlines all the key projects in the pipeline that facilitate procurement related efficiencies over the next five years. A number of projects are still in the very early stages (those shown in a pale shade) and the benefits yet to be identified. It also highlights the building of the new Municipal Offices due for completion in 2012 which creates further efficiencies. In order to fully benefit from collaborative opportunities, all sourcing needs to be flexible enough to anticipate future needs. To date, procurement efficiencies are on target in line with a two year plan approved by Cabinet in December 2008 as shown in figure 8. An additional £1m has been added to the FY10/11 target.

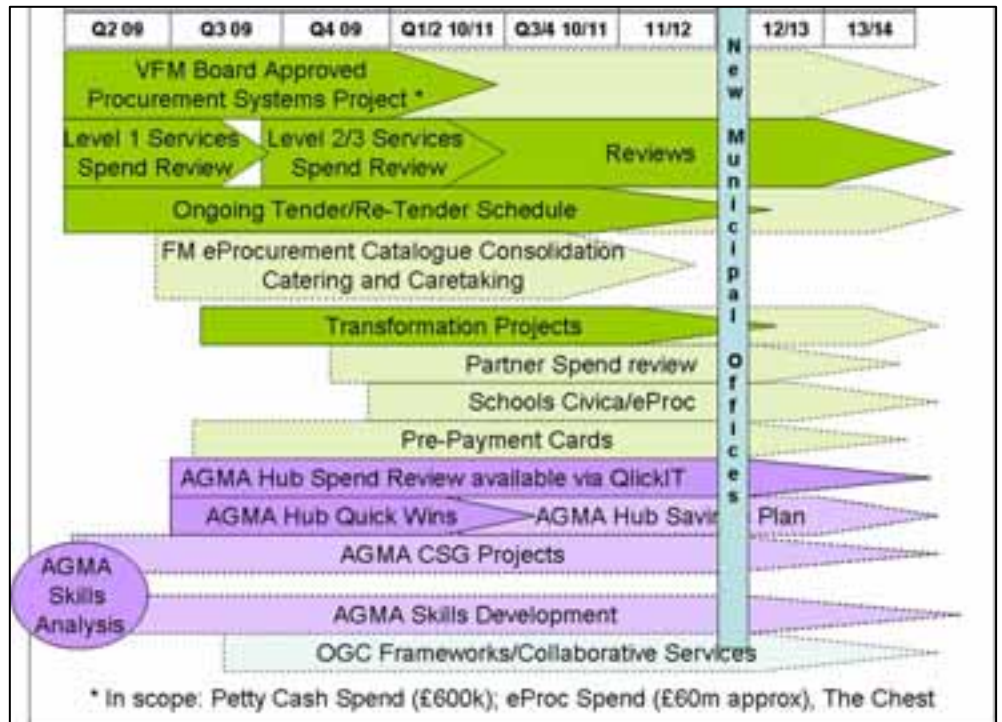
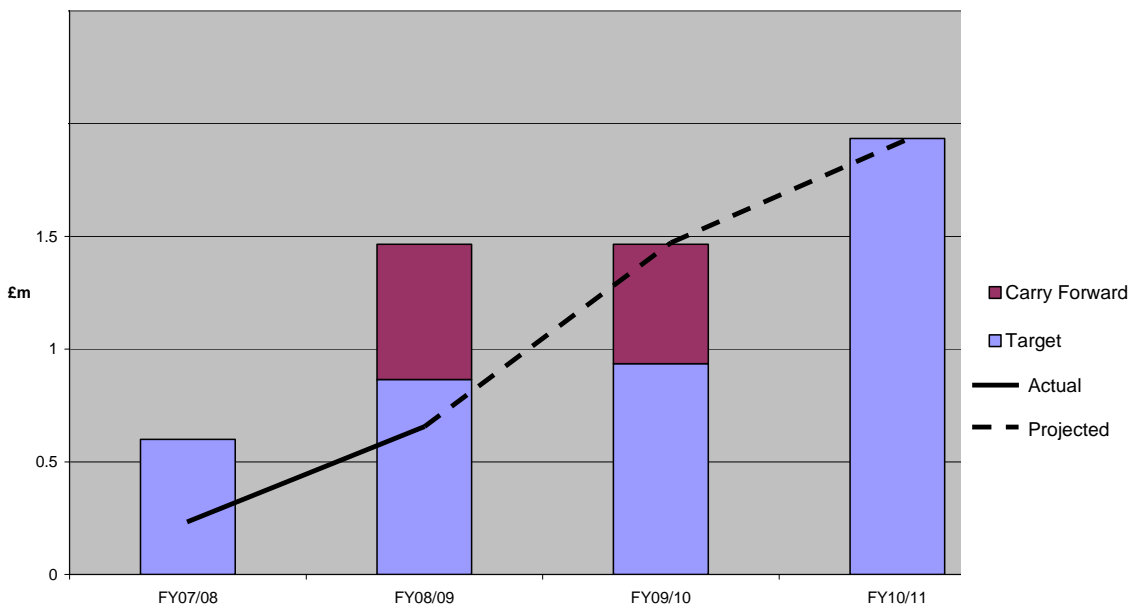


Figure 7 Procurement efficiency related projects

Figure 8: Procurement Efficiencies



6.3. Continual improvement

Effective services cannot be delivered without a responsive and motivated workforce that holds customer focus at the core of all activity. This applies equally whether services are provided internally, externally or in partnership. Corporate Procurement at Rochdale seeks to:

- Research and share experience from other local authorities in the UK and the European Union;
- Ensure that all suppliers comply with relevant legislation and maintain a forward thinking approach to business;
- Develop ways of liaising with suppliers on procurement issues and providing information on how to do business with the Council;
- Raise awareness of forward-thinking procurement practices amongst suppliers and specification managers.

We welcome feedback and input at all levels and have created a single point of contact for any procurement related communications.

Email us at:

**Corporate.Procurement
@Rochdale.gov.uk**

Appendix 1 Actions

The following items have been identified as key actions for the next 12 months with a forward plan which outlines the vision of commissioning and procurement for 2010-12. Individuals have not been identified at this level but will feed into the relevant officers performance and development reviews. In addition to this it will be the responsibility of the Corporate Procurement Manager to ensure that this strategy becomes a living document and the aims set out are embedded across the Borough to drive through a successful sourcing strategy that delivers improved services within budget.

Key for actions to be completed by:

All All commissioning and procurement staff
 APH AGMA Procurement Hub
 BDU VFM Business development Unit
 CPT Corporate Procurement Team
 CPM Corporate Procurement Manager
 CSM Client Services Manager
 DPM Deputy Procurement Manager

FPM Financial Processing Manager
 HoS Head of Service, Business Partnerships
 PDA Procurement Data Analyst
 PO Procurement Officer
 RGN Regeneration Service
 SDT Sustainable Development Team

A1.1. Customer focus

Current Position	Where do we want to be?
<p>Commissioning and procurement functions dispersed across the Council, standards and systems vary.</p> <p>There is a move away from 'lowest cost' tendering so that quality and service considerations are part of the assessment process. Improvements have been made to systems and processes and communications to Services improving access on spend data.</p> <p>Consultation/Communication with customers and stakeholders varies and feedback is not always measured or recorded.</p> <p>Pockets of good practice exist across the Council such as the Supporting People User Consultation Groups as part of the Procurement Strategy.</p>	<p>Create a structure that has the customer at the core of all activity and works collaboratively to meet the Council's Aiming High strategy.</p> <p>Services understand their spend patterns and benefit from a category management approach to sourcing.</p> <p>Clearly identify customers and stakeholders to understand what they are trying to achieve through timely consultation.</p>

Actions	Who / By
Contribute to thematic review of commissioning and procurement function across the Council as part of the Efficiency Programme.	All
Ensure procurement contributes to the continuous improvement of services through Service Spend Reviews to contribute to the efficiency target.	CPT
All commissioning and procurement to be based on users' needs and outcomes.	All

A1.2. Maximising the potential of our people

Current Position	Where do we want to be?
<p>Internal workshops have been established to identify initial needs and development requirements.</p> <p>AGMA has started a programme of capacity building and carried out skills analysis on some procurement staff.</p> <p>Guidance on more complicated procurement process is not readily available and often outsourced at great cost.</p> <p>Corporate Procurement is not always the first point of contact and the skills within the team vary from operational procurement knowledge to strategic level experience.</p> <p>Project teams are not always multi-dimension from across relevant Service and benefits are not fully achieved from using in-house expertise before outsourcing to external resources, often at great cost to the Council.</p> <p>Officers have benefited from training and personal development offered by the Learning and Development team.</p>	<p>Procurement needs to move on from the largely transactional nature that has emphasised low cost delivery to a more pro-active strategic approach where value is added through effective supplier management and better data informs strategic planning.</p> <p>Training and development is needed to ensure staff can meet the future needs and deliver customer outcomes.</p> <p>Develop the use of more cross-functional teams to include all relevant areas such as procurement, legal, finance, HR, H&S, DQ, sustainable development as well as customer input, to ensure the optimum value for money is achieved.</p> <p>External resources to be brought in where necessary to support any areas for development.</p>

Actions	Who / By
Establish skills set for each level of involvement in the procurement process.	DPM
Hold regular workshops to support procurers and our processes.	CPT
Introduction of career grades and Continued Professional Development for procurement staff as part of the thematic review.	CPM
All staff to be given the opportunity for self-development through internal and external training and development courses.	All
Identify savings through reduction in consultant spend in procurement projects.	PO
Implement the outcomes of the thematic review based on the timescales identified as part of the process.	All

A1.3. Improve economic, environmental and social opportunities

Current Position	Where do we want to be?
<p>Think Local events have been held three times a year since 2008 to open dialogue with potential local suppliers.</p> <p>We are in the process of benchmarking our position to set realistic targets. To date this has been difficult to assess due to poor quality data available.</p> <p>Suppliers are asked about their related policies in all tender documents and ten key suppliers have been requested to submit information under the Carbon Disclosure Programme.</p> <p>At least 10% of our energy is sourced from green supplies as per the Government guidelines and procurement are contributing to both the Carbon Management Programme and the Energy Saving Trust project to reduce carbon emissions.</p> <p>An increasing number of contracts are in place that supports sustainable procurement and members of the Sustainable Development team are set to review existing contracts.</p> <p>Equality and Diversity information is regularly passed on to Services via the Service Equality Contact group and standards are included in core documents.</p>	<p>Develop a Sustainable Procurement Policy finding the right balance between meeting savings targets and sustainable procurement targets to ensure value for money.</p> <p>Leverage the Council's buying power to promote sustainable development opportunities in potential bidders/partners and include the Council's Equality Standard, Environment Policy and other standards in the selection criteria.</p> <p>Ensure that all local business have access to the Council's business opportunities through a single point of contact and support the Regeneration initiative to provide business support to ensure local firms are aware of and are able to bid for work, including holding at least three Think Local events per year.</p> <p>Improve access to opportunities for small and medium sized enterprises (SMEs) to compete for public service contracts by reducing burdens on businesses applying for these contracts.</p> <p>Work with our partners to develop a common approach for sustainable procurement to ease the burden on suppliers.</p>

Actions	Who / By
Enhance the Supplier toolkit to help encourage the development of responsible policies and support Council health and well-being initiatives.	CPT
Set realistic targets from the baseline data available.	CPT
<p>Economy: 1) To increase the percentage value of spend with local companies on contracts under the OJEU limit.</p> <p>2) Ensure all contracts tendered include local labour and supply chain management clauses, targeted recruitment and training that promote skills and apprenticeships.</p>	CPT/ RGN
Environment: Introduce whole life costing to all contracts and tenders.	CPT/ SDT/ BDU
Equality and Diversity: Support the introduction of the Single Equality Bill by considering groups in the Borough which may be experiencing disadvantage and use procurement to help address this.	CPM
Ethics: Improve access to bidding opportunities to providers in the third and voluntary sectors.	DPM/ RGN

A1.4. Partnership and collaboration

Current Position	Where do we want to be?
<p>We are a member of a number of regional and sub-regional public sector groups that share best practice and work on collaborative projects.</p> <p>We buy into local and national consortium agreements and have taken the lead on a number of AGMA contracts.</p> <p>We work with the Council's strategic partners to promote a single point of contact for suppliers to access opportunities.</p> <p>Corporate Procurement provide procurement support to Rochdale Boroughwide Housing, Link4Life, the majority of schools and Hopwood Hall College.</p> <p>Joint commissioning initiatives have been established between the Council and the local NHS to maximise collaborative opportunities.</p>	<p>Balancing the needs of Rochdale with those of our partners in order to achieve value for money, we should be looking to collaborate in the first instance unless a viable case is put forwards in relation to an alternative option or where significant benefit can be obtained locally and deliver better value for money for the Rochdale pound.</p> <p>Risks need to be identified and allocated to owners as standard on all projects. Plan all tasks, milestones and resources.</p> <p>Ensure contracts are flexible and scalable and appropriate to need. Establish the budget and consider aggregation for contract value.</p>

Actions	Who / By
All contracting opportunities should consider the opportunities available in the Local Supply Chain and seek to maximise the value of the 'local pound'.	All
<p>Before tendering independently, collaborative opportunities should be investigated through the use of:</p> <ul style="list-style-type: none"> - AGMA/NWIEP - OGC - Other Purchasing Organisation 	All
Departure from collaborative contracts to be assessed by CPM, in consultation with HoS, with final approval sought from the Head of Finance and the Executive Director responsible for Procurement.	HoF/ELT
All employees to use Corporate contracts in line with the Contract Procedure rules with an approved Purchase Order generated via Civica eProcurement.	All staff
Services to have access to spend on goods and services patterns via the AGMA Procurement Hub QuickIT platform. Quick wins in relation to collaborative opportunities to be identified.	APH
All goods and services related benefits to be realised and reported via Corporate Procurement to the Efficiency Savings Statement.	All

A1.5. Internal systems and processes

Current Position	Where do we want to be?
<p>Procurement processes have been mapped through Business Improvement Training and resources are under review to allocate to maximum effect.</p> <p>All suppliers are currently approved by Corporate Procurement before being put on the Civica system by Financial Processing. However, there are over 7,000 suppliers on the system which needs reducing at least by half in order to assist contract management.</p> <p>The majority of orders have requisitions raised but there are high levels of petty cash spend across the authority which needs reducing. A project has been approved by the Stepping Up Board to introduce P-cards which is in the process of being rolled out. P-cards will reduce the need for petty cash and also help reduce the number of invoices processed, both generating efficiencies.</p> <p>Standard reporting is being produced for Heads of Service on a quarterly basis to inform spend decisions. Data quality is currently low due to the way orders are raised and the AGMA Procurement Hub is introducing an AGMA wide spend analysis tool that will support decisions but work is needed to cleanse the data.</p>	<p>All sourcing to undergo a relevant gateway review to maximise the outcomes of commissioning and procurement based on users needs and outcomes. Under the National Procurement Strategy, all high risk/value tenders need to go through a 4ps Gateway Review. In 2008/09 AGMA initiated a project for mid value/risk projects to be reviewed by AGMA authorities. It is proposed that the remaining lower value/risk projects undergo internal review following the Gateway principles to maximise benefits across all projects.</p> <p>Develop proactive approach to procurement and work towards outcome based specifications that encourage new ways of working. Transparent, fair and open process used to support the business needs. The evaluation approach to be documented and the financial analysis to be clear and not prejudice suppliers.</p> <p>All orders placed in line with available budget and to correct cost centre to enable improved spend analysis to establish and report against published PI's.</p>

Actions	Who / By
Use of Gateway reviews for all sourcing projects as relevant.	All
Update and improve eProcurement systems in line with project plan approved by Stepping Up Board (April 2009).	PDA
Realistic target to be set in FY09/10 for the reduction in the number of suppliers based on the spend analysis tool available via AGMA from autumn 2009.	CPM/ FPM
Quarterly reporting to be made available from September 2009 to raise Heads of Service awareness and ensure compliance.	CPM
Corporate Procurement to feed into VFM Business Development review of financial processes for procurement touch points.	CPT
All budget holders to undergo procurement awareness training from September 2009 and ongoing as part of new joiners induction within one month of starting.	All

A1.6. Supplier relationship management

Current Position	Where do we want to be?
<p>Contract management is a weak point across the Council but there are areas of good practice. A new Partnership Toolkit was introduced by the Client Services team who manage the Council's strategic partners.</p> <p>The majority of orders are now sent electronically to suppliers, but a number of key suppliers do not yet support electronic orders.</p> <p>Feedback is sometimes collated but there is no consistent contract management processes in place. Some services have their own systems for storing and collating contract management data.</p> <p>Suppliers that go through a tender are notified in writing and offered feedback based on the process. The level of feedback provided varies and is now being encouraged to provide constructive feedback for future reference. Sessions have been held at Think Local events for tender specific feedback to be given but take up has been low.</p>	<p>All sourcing should undergo market analysis and determine the procurement route at the initiation stage. Supplier sourcing should be sound with market creation strategies and SME friendly strategies in place. Pricing mechanism and payment methods developed as part of contract strategy.</p> <p>Supplier relationships should be managed based on value and risk. Create good communication channels and manage the quality of service being delivered, based on key performance indicators established as part of the sourcing process. These should be reviewed regularly to ensure relevance to changing environment. Contracts not performing must be managed.</p> <p>The introduction of a single point of contact for tender opportunities will benefit suppliers as well as minimising the risk of challenge to the Council through the use of common standards across all Services.</p> <p>Feedback from users should be collated and fed into the contract management process.</p> <p>Debriefings available for all suppliers where requested. Feedback should be constructive and provide learning for the suppliers. Any mitigation plans to be put in place.</p>

Actions	Who / By
All services to use The Chest for all tenders.	All
The Partnership Toolkit to be embed as good practice across all Services.	CSM
Enable feedback via eProcurement systems.	PDA
Introduce customer feedback surveys to allow users to feed into contract management process.	CPT
All suppliers to trade electronically.	CPT
Advertise all opportunities widely to ensure open and fair competition through The Chest (ProContract) and Supply2.gov.uk, and where relevant, ConstructionLine.	All

A1.7. Forward Plan 2010 2012

2010-11	2011-12
Customer feedback is measured, recorded and used to develop strategy.	Customer needs drive sourcing strategy.
Procurement is first point of contact for all activities and systems in place to support activities.	Procurement drives innovative solutions to meet Council objectives.
All staff has access to training and development. Needs are identified at development reviews and fed into sourcing plans.	Training and development needs are integral to the PDR process.
Sustainable Procurement Action Plan to incorporate Council Partners and other public sector bodies.	Sustainable Procurement is embedded into the Council and we are used in reference to Best practice.
Rochdale fully participates, where beneficial, in partnering opportunities.	Rochdale identifies and takes the lead on shared opportunities.
Risks are managed and unstable contractual arrangements eliminated.	Discipline in procurement is standard across the Council whilst providing the flexibility to encourage innovative solutions.

Thank you for taking the time to read our Procurement Strategy.
Please send you comments, feedback or suggestions to:

**Corporate.Procurement
@Rochdale.gov.uk**

A number of supporting documentation can be found on the Rochdale MBC website
www.Rochdale.Gov.UK

For RMBC employees, further information can be found under the Corporate Procurement section on the Intranet.