

2009/12 Joint Procurement Strategy Performance Monitoring Report

October 2011

Report of the Statutory Finance Officer
Introduced by the Executive Member (Resources)



Procurement Strategy Performance Monitoring Report October 2011

	Page
1. Background	1
2. Summary of Progress.....	1
3. Areas of Significant Progress/Achievements	2
4. Looking Forward.....	5
5. 2011/12 Strategy Update	5
6. Sustainable Procurement Policy Update.....	6
7. Recommendations.....	6
8. Progress against Joint Procurement Strategy.....	7

1. Background

This monitoring report sets out performance against the 2009/2012 SRBC/CBC Joint Procurement Strategy approved at Chorley BC Cabinet in September 2009.

2. Summary of Progress

Taken overall good progress has been made as highlighted in paragraph 3 below. The service has embedded well across the two authorities and key officers are now contacting the team for procurement support and advice as a matter of course. The service is generally recognised as being successful and well received. This is confirmed by the 94% satisfied result in the 2010 satisfaction survey conducted across both councils.

The overall efficiency savings target initially included in the Strategy was increased last year from £150,000 to £200,000 per authority cumulative over the three year Strategy life and it was anticipated that £100,000 of this would be achieved in the first two years of the strategy with the remaining £100,000 to be achieved in year 3. However, the arrangements put in place during year 1, coupled with new procurement activity in year 2 have increased the level of savings achieved this year well in advance of the Year 2 target. Further details of the efficiency savings achieved are listed below.

A number of arrangements have been put in place to engage with, and make the Council's procurement opportunities widely available to, local suppliers, SME's and third sector providers, including publication of a Selling to the Council Guide and promotion and use of the Chest. The Chest is a North West e-tendering system, is free of charge to suppliers, and provides suppliers with quick and easy on-line access to both Chorley and other North West public sector procurement opportunities. A link to the Chest has been included on the Council's website. Additionally the Council's procurement team attended a Lancashire "Meet the Buyers" event in June this year to engage with local suppliers and explain the procurement process.

3. Areas of Significant Progress/Achievements

Significant progress was made in the first year of the Joint Procurement Strategy including effective integration of the procurement service across Chorley and South Ribble Borough Councils, adoption and promotion of the new Joint Procurement Strategy, skills analysis of officers with training delivered to key staff across the authority, member training, review and update of key documents including Standard Conditions of Contract for routine orders and contracts and finally, spend analysis, benchmarking, collaborative working and procurement exercises leading to procurement savings and efficiencies.

2010/11 has also been a very positive year with key achievements being:

- Implementation of the e-tendering system “The Chest” for initial pilot within the Procurement Team
- Full review and implementation of revised Contract Procedure Rules (CPR’s) at both SRBC and CBC, based on a common template
- Review and publication of an updated Pocket Guide to Procurement incorporating the revised CPR’s and the Chest e-tendering system
- prioritisation and delivery of the service with over 30% resource unfilled (one vacant FTE) providing resource efficiency
- Substantial assurance rating given by internal audit in their final report on the controls in place in the procurement process at both SRBC and CBC
- Represented SRBC and CBC at a Lancashire Meet the Buyers Day promoting procurement with local suppliers
- Completion of all relevant and proportionate level 3 targets within the Flexible Framework for Sustainable Procurement
- Spend analysis, benchmarking, procurement exercises, joint working and market research resulting in the introduction of new contracts, further frameworks and collaborative procurement arrangements realising savings and efficiencies for both Chorley and South Ribble Councils.

Reported procurement activity savings for Chorley Council for 09/10 and 10/11 are as detailed below. The savings have been calculated by comparing the newly procured rate with existing rates (or budget costs where there is no existing rate available) multiplied by actual or estimated demand. Where an estimated demand figure is used this is usually based on the previous years take-up of that product. Many savings are recurring and continue cumulatively into subsequent years over a specific contract period, further contributing to the overall efficiency target.

Product/ Service	Description of Action	Saving in 09/10 financial yr	Saving in 10/11 financial yr
BIP e-notice service	Free 1 yr subscription obtained worth £150	£87	
Anti Virus software licensing	3 yr collaborative contract facilitated by the Lancs Procurement Hub saving £4600 over the full contract period	£1,564	£1,564
Primary on line Legal Reference Material	12 month collaborative CBC/SRBC contract negotiated with existing provider Further negotiation to the above introduced a new 3 yr agreement, saving a further £5680 over the 3 yr period	£1,512 £1,637	 £1,882
Stationery & Computer Consumables	Benchmarking resulting in move from Central Buying Consortium framework to North Yorkshire framework, maintaining existing provider and continuity of service and achieving overall reduction in cost	£2,444	
Crystal Consulting Service	Negotiated reduction in cost from £1000 to £500 p.a. for 3 yr contract term for both CBC and SRBC	£500	£500
Cotswold House,	Quotes through both Buying Solutions and YPO frameworks, identified	£355	£426

Commercial Laundry Equipment	saving of £2130 over 5 year contract period over original quote obtained by client department		
Cotswold House Linen Service	Negotiated improved rate saving £890 over 2 year period	£365	£438
Cotswold House Concierge Service	Formal Tender exercise achieved £22330 saving over budget for the 12 month period commencing 1.6.09. Re-tender for new 2 yr fixed priced contract, achieving further saving over budget	£18,609	£3,722 £3,400
White Young Green Condition Survey Yr 2	Negotiated reduction to programme cost for year 2	£1,220	
Spring Bedding	CBC/SRBC Collaborative Quotation exercise	£487	
Penetration Testing	Joint CBC/SRBC procurement realised saving over single authority rates, 2 year arrangement	£8,670	£2,000
Computer Consumables	Spot check of previous Invoices, challenged supplier and achieved £655 credit	£655	
Insurance Brokerage	New 18 month contract with new provider	£3,690	£3,690
Cash in Transit	Moved Union St collection from existing provider to collaborative Burnley contract and added new Cotswold House collection. Total saving of £1345 over the 15 month contract period.	£269	£1,074
Car Parking - Enforcement	Team Lancashire review resulting in 9 month contract whilst a new 5 yr collaborative contract is tendered. Subsequently won by Legion.	£7,665	£10,221
Car Parking – Back Office	Collaborative Team Lancashire Procurement resulting in new 5 year contract with Chipside, saving £11,500 p.a.	£8,628	£11,504
Detection and Removal of Graffiti	Competitive quotes for 3 year contract saving 3450 p.a. compared with previous contract rate	£3,450	£3,450
Various Grounds Maintenance supplies	Various Grounds Maintenance supplies including competitive quotes for Bedding plants		£29,000
Agency staff	New contract with Matrix commencing Oct 09	£2,002	£11,783
Thermal Receipt Printers	Quote through Buying Solutions Framework	£114	
90 min Audio Cassettes	Quote through Buying Solutions Framework	£147	
Merchant Acquiring	Move to OGC Buying Solutions Framework. Saving includes £3663 credit negotiated due to delay in applying new rates		£12,454
Treasury Consultancy	Joint SRBC/CBC Procurement for new 3 yr contract		£3,000
Annual Subscription for three yr reference service	Negotiated reduction to rate, + fixed for 3 yrs		£20
Wheeled bins	Procured through ESPO framework saving £2 per bin		£10,720
55L Kerbside recycling	Change of Supplier via ESPO framework saving 38p per box		£130

boxes			
Ice Cream Concession Contract	Advertised on website generating extra interest and achieving an additional £1884 over previous contract rate		£1,884
WYG Condition Survey Contract	Negotiated waiver of contractual increase achieving no increase		£495
Energy Insulation Works	Formal Tender exercise achieved Free of Charge "Fuel Poverty" Loft and Cavity Wall insulation, allowing this money to be used to support more "able to pay" works		£50,000
Confidential Waste Shredding	Obtained more competitive quote from ESPO framework supplier		£618
Refurbishment of bins	Refurbishment of trade waste bins at a cost of £80 to refurbish compared with £240 new		£800
Canon Hygiene	Consolidation of existing Canon Hygiene accounts into one account and move to YPO framework rates		£1,172
Insurance Broker Consultancy	Formal CBC/SRBC collaborative quotation exercise for new 3 yr contract commencing 1.1.11 saving £2500 p.a. for CBC		£625
Portable Appliance Testing (PAT)	Saving using ESPO Framework rates		£11,327
Procurement of DFG Grant works	Procurement by competitive quote for each job compared with schedule of rates under previous Home Improvement Agency arrangements		£19,500
Utilities	Improved energy management arrangements including change of supplier for gas and electricity saving £18000 overall. (Projected figure- to be confirmed on receipt of final meter readings)		£18,000
Resource Efficiency	Not appointing to vacant Procurement Officer Post (saving shown is 50% of total as this is shared equally with SRBC)	£12,615	£13,903
Total		£76,685	£229,302

In addition to the above reported savings the following notional savings have also been achieved:

Product/ Service	Description	Saving in 09/10
Stationery	In addition to the reduction in cost reported above the 2009 stationery benchmarking exercise and resulting change of framework avoided significant price increase which would otherwise have been applied.	13,336
Mobile Phones	Sale of Used handsets	£557
	Total	£13,893
	Grand Total	£319,880

4. Looking Forward

- Budgets remain challenging and we must continue to develop and take maximum advantage of our partnership with South Ribble Borough Council and other collaborative opportunities, ensuring an effective service which maximises efficiency for joint procurement and collaborative working.
- Many of the building blocks to an effective procurement service have now been put in place including training, guidance, a review of procedures and rules and an updated financial system and new e-tendering system. The resources available should therefore now be focused on ensuring best value in procurement activities across both South Ribble and Chorley Councils, taking full advantage of joint procurement and collaborative efficiency opportunities wherever possible, whilst ensuring that the systems and procedures in place remain relevant and up to date with current legislation and best practice, and are effectively embedded across the authorities.
- Looking forward there will need to be an increasing emphasis on more strategic procurement of services, including options appraisal and consideration of different delivery models.
- The regional e-procurement portal “The Chest” has now been implemented and is “live” within the Procurement Team. The system provides significant efficiencies in the tendering process. However, as officers across the authority issue tenders and quotes infrequently it is unlikely that many will become sufficiently familiar with the system for it to be rolled out widely for direct use by others. It will therefore be necessary for procurement to assume a central role in the issue and receipt of tenders. This will have added benefits in terms of overall efficiencies, control and information management, but will be an additional pull on the team’s slim resources.
- Working flexibly, the current shared procurement team of 1.8 FTE’s have delivered an effective service and, this success, coupled with the difficulties in appointing and the need to make efficiencies, has led to the additional vacant Procurement Officer post not being filled. Whilst this remains the case, it will be necessary to continue to work flexibly within the service, and to prioritise requirements and projects where necessary, in order to make best use of the procurement resource.

5. 2011/12 Strategy Update

A number of changes have taken place since the Strategy was originally introduced including the removal of the Use of Resources external assessment. As the strategy is due to expire next year, this report proposes a refreshed Strategy, extended for a further 2 years, bringing this in line with, and encompassing the Corporate Plan timescale at SRBC and Corporate Strategy at Chorley. The refresh proposes a new and more challenging cumulative efficiency target of £500,000 per authority over the 5 year period. A copy of the draft refreshed Strategy is attached at Appendix A. Procurement priorities and overall objectives remain unchanged, but targets, actions and projects have been streamlined and updated to those that are current and relevant moving forward, in recognition of the work already done. These address the current challenges and include the following:

- A 2 year extension of the refreshed Strategy life to 2014

- An increased cumulative Procurement Savings Target of £500,000 per authority over the 5 year Strategy life.
- Introduction and publication of model template Pre- Qualification, Request for Quotation and Tender documents (slipped from 10/11)
- To further embed and promote the North West Regional Procurement Portal “ The Chest”
- To Implement the Spend Analysis tool “Spend Pro” which has been promoted and part funded by NWIEP
- Increased PI target of 87% satisfaction with the procurement service rate from the original strategy target of 80%
- Increased PI target of 92% payment by BACS previously 90%
- Increased PI target of 98% suppliers invoices paid within 30 days (previously 97.75%)

As this is a joint strategy with SRBC, the proposals for a refreshed Strategy will also be subject to ratification at South Ribble.

6. Sustainable Procurement Policy Update

One of the targets included within the Joint Procurement Strategy was to develop and implement an action plan to achieve the targets and actions contained within Level 3 of the Flexible Framework for Sustainable Procurement. This has now been completed for all relevant areas and we have progressed to a stage on the Flexible Framework which we consider relevant and proportionate for an authority of our size and spend profile. Optimum benefits have been achieved and further progress up the Flexible Framework would only serve to gain recognition in external assessment which is no longer a requirement. The Sustainable Procurement Policy has been refreshed accordingly and a revised draft is attached at Appendix B for Members’ comments.



7. Recommendations





- That Members note the progress achieved to date
- That Members approve the refreshed and extended Joint Procurement Strategy
- That Members approve the refreshed Sustainable Procurement Policy




8. PROGRESS AGAINST JOINT PROCUREMENT STRATEGY



Joint Procurement Priority – Procurement that is effectively managed and monitored complying with relevant rules both internal and external

Our Priority Objectives	
1.	To ensure that all procurement is in accordance with EU rules, the Council's Contract Procedure Rules and published Procurement Guidance and Best Practice.
2.	To deliver an effective service which maximises efficiency for joint procurement, collaborative working and the establishment of shared services.
3.	To ensure that procurement governance arrangements set for the procurement partnership are effectively met and the commitments set out in the SLA between the two Council's are delivered.
4.	To contribute and participate in Lancashire Procurement Hub and Central Lancashire projects and opportunities wherever this is mutually beneficial.

	Key Actions/Projects	Comments	Lead Officer
	1. Provide professional procurement guidance on major procurement and other projects ensuring that effective option appraisal analysis is conducted in both councils.	Provided as required. Examples include insurance broker consultancy, concierge service, insulation measures, dog kennelling, multi function devices etc. Support is currently being provided to the major EU joint insurance tender.	Janet Hinds
	2. In conjunction with Legal Services, evaluate the range of NWIEP Model Conditions of Contract, and adapt implement and publish these as appropriate.	Standard Conditions for routine procurements have been implemented and updated. Evaluation of the NWIEP Standards Group suite of Conditions was deferred until 11/12. However, these have now been reviewed by Procurement and Legal Services at both authorities and standard Conditions for both Goods and Services have been published on the Loop at Chorley and on Connect at South Ribble.	Janet Hinds





	Key Actions/Projects	Comments	Lead Officer
	3. Develop and implement Model Template, Pre- Qualification, Request for Quotation and Tender documents to simplify the procurement process.	A template quotation document has been developed for use with the Chest. Development of other documents has been deferred to 11/12.	Janet Hinds
	4. Continue to develop and review the range of procurement information available on SRBC Connect and CBC The Loop.	This information has been updated as required throughout the year, including a review of the dialogue for requesting waivers to Contract Procedure Rules, publication and promotion of the new Conditions Pack, and publication of an updated Pocket Guide to Procurement and revised Contract Procedure Rules.	Janet Hinds
	5. Ensure the register of Contracts is effectively published and maintained within the two councils.	Information provided by departments has been included on a central Contracts Register which is published on the Council's web site and the loop. Moving forward, the Chest will be the vehicle for capturing a full audit trail of procurement history (tenders and quotations) and for centrally recording this information for subsequent population on to a contracts register.	Janet Hinds
	6. Ensure that established local performance indicators are achieved.	<p>PI's included in the Shared Services Business Improvement Plan are reported on a regular basis through the Shared Services Joint Committee. Targets for 10/11 include:</p> <p>Professionally qualified procurement employees as a % of total procurement employees – Annual Target of 33%, Achieved 67%. (Both the Principal Procurement Officer (JH) and Procurement Officer (EE) are MCIPS qualified and the third post is vacant.)</p> <p>Satisfaction with the corporate procurement function, The figure achieved for Procurement in the overall Financial Services 2010 Satisfaction Survey was 94%. The original Joint Procurement Strategy target is 80%. The 2011 survey has yet to be completed.</p> <p>Number of Council's Top 10 suppliers (by spend value) who have formal partnership/framework agreements with the authorities</p>	Janet Hinds






	Key Actions/Projects	Comments	Lead Officer
		<p>Target 100%, Achieved 100%</p> <p>Provision of Procurement Savings Report - provided.</p> <p>Average invoice value: Combined CBC/SRBC Target £1200, Achieved £1708</p> <p>Average Spend per Supplier: Combined CBC/SRBC Target £9600 Achieved £11757</p>	
	7. Continue to Develop/Review/Update the procurement information area on Council's intranet and web-site	This information has been updated throughout the year. The Council's Tenders and Contracts Section on the website now includes information on, and a link to, the North West regional e-procurement portal "The Chest", providing e-access to both CBC and other North West Council's procurement opportunities.	Janet Hinds
	8. Work with the Lancashire Procurement Hub to develop and implement meaningful "SMART" Procurement PI's to be used across all Lancashire Authorities.	This has been discussed at Central Lancashire Procurement Group meetings, but has not progressed further. Such PI's may not generate meaningful information when compared with other authorities and therefore may not justify the time and effort employed to measure them. Consequently there has been a general lack of enthusiasm Lancashire wide to take this forward. However, as more authorities implement Spend Pro, which is the NWIEP supported Spend Analysis tool, some PI data may be extracted from this. Both Chorley and South Ribble are currently implementing Spend Pro.	Janet Hinds
	9. Review the Council's Procurement Codes of Practice/ Procurement Staff Guidance and develop standard guidance/ achieve commonality where possible, for publication at both authorities	A full review of procurement rules and tendering processes has been carried out at both South Ribble and Chorley Councils and new Contract Procedure Rules based on the same template document have been approved and published. Updated Pocket Guides have also been published at both authorities based on the same template, providing guidance and flowcharts of the various procurement processes according to contract value.	Janet Hinds

	Key Actions/Projects	Comments	Lead Officer
	10. Conduct a full review of both Council's current Contract Procedure Rules / Standing Orders to achieve commonality wherever possible.	A full review of Contract Procedure Rules/ Standing Orders has been carried out at both South Ribble and Chorley Councils and new Contract Procedure Rules based on a single template document have now been approved and published at both Councils, achieving commonality wherever possible. The updated rules encompass the new e-tendering system "The Chest" which has now been implemented at both authorities.	Janet Hinds
	11. Carry out a User Survey across both Councils to monitor satisfaction with the procurement service. Target 80% Satisfaction	At the time of writing this report the 2011 year end satisfaction survey has not been completed. Results at the 2010 year end survey were 94% (combined CBC/SRBC) overall satisfied with the procurement service	Janet Hinds

Corporate Priority - Procurement that engages all buyers/commissioners, is market aware and delivers sustained competitiveness and value for money



Our Priority Objectives
5. To contribute to the achievement of the Council's targets for efficiency gains during the CSR07 period.
6. To involve buyers/ commissioners/customers in shaping the new service effectively and ensure effective procurement training.
7. To put in place procurement contracts which will maximise the delivery of value for money across the two councils.
8. To contribute to the achievement of a top "Use of Resources" score in both Councils







	Key Actions/Projects	Comments	Lead Officer
	12. Establish a clear picture of the procurement landscape at both authorities to identify key action areas and collaborative opportunities in liaison with Senior Management.	Spend information has been produced at both authorities and a high level analysis carried out. More detailed analysis has been carried out at Service Level in key spend services areas to identify key actions and further collaborative opportunities. Additionally a Procurement Plan and Contracts Register has been developed at both authorities.	Janet Hinds
	13. Identify the best opportunities for establishing Shared Services in liaison with the Team Lancashire Shared Services Board.	During 2010/11 the Council progressed the sharing of its Revenues and Benefits service with SRBC. Opportunities for further collaborative working with neighbouring councils will continue to be explored to help deliver efficiencies and sustain service standards and resilience.	Gary Hall
	14. Co-ordinate internal arrangements to ensure that all opportunities to carry out integrated purchasing are grasped.	Opportunities for aggregated and collaborative purchasing both authority wide and with SRBC have been identified as part of the spend analysis work. Additionally, the procurement team now consider the potential for collaborative working in their support for all procurement opportunities across Chorley and South Ribble as a matter of course and are uniquely situated to co-ordinate this work. CBC/SRBC collaborative procurements in 2010/11 include Insurance Broker Consultancy, Civica Financials, Spend Pro Spend analysis tool, Bedding Plants and Treasury Management Consultancy. Collaborative procurements to take place in 2011/12 financial year include a Joint Insurance Tender, postal services, review of Bailiff Services, Cleaning Materials and Personal Protection Equipment.	Janet Hinds
	15. Ensure that market information is collected and co-ordinated continuously.	This is ongoing and new frameworks and other opportunities are monitored and benchmarked with current arrangements and existing frameworks. This has resulted in a move to various public sector frameworks and joint procurements, providing procurement savings and increased value for money. Examples include cash transaction processing (All Pay), wheeled bins, Portable Appliance Testing (PAT), sanitary bins, stationery.	Janet Hinds

	Key Actions/Projects	Comments	Lead Officer
	16. Benchmark prices, procedures, and savings against other councils and best practice elsewhere.	As members of the Lancashire Procurement hub , and as frequent users of Buying Solutions, and various public sector consortia, we regularly receive and share market information. In particular we are ideally placed to benchmark between South Ribble and Chorley. Recent benchmarking exercises have resulted in a move to various public sector frameworks and joint procurements, providing procurement savings and increased value for money. Examples include cash transaction processing (All Pay), wheeled bins, recycling boxes, Portable Appliance Testing, Merchant Acquiring, shredding, sanitary bins, stationery	Janet Hinds
	17. Maximise the use of framework agreements and collaboration arrangements with other partners where they are competitive.	Examples of frameworks used/ introduced to CBC in 10/11 are listed above. Several other collaborations/ frameworks are already in progress for 11/12 including a collaborative procurement through the Buying Solutions framework for Post and review of the ESPO framework for Bailiff Services.	Janet Hinds
	18. Work towards the achievement of a Procurement savings target of £200,000 cumulative per authority over the three year Strategy life.	The savings summary included at the front of this report demonstrates that we are currently ahead of schedule at the end of year 2 and present indications are that this target will be exceeded by the end of year 3.	
	19. Engage and contribute to work undertaken by the Lancashire Procurement Hub (LPH).	The Council has contributed and taken part in various Lancashire Procurement hub projects ,including regional work on the Chest e-tendering system and a collaborative cash transaction processing procurement. Additional support was also negotiated Free of Charge from the LPH at the rate of 1 officer for 1 day per week for 2 months during late 2010.	
	20. Carry out a detailed spend analysis across the two councils to identify key opportunities for maximising VFM.	Spend information has been produced at both authorities and a high level analysis carried out. More detailed analysis has been carried out at Service Level in key spend services areas to identify key actions and further collaborative opportunities. The Regional spend analysis tool (Spend Pro) is currently being implemented at both South Ribble and Chorley and this will be live during 11/12.	

Corporate Priority – Procurement that is inclusive, sustainable and socially responsible

Our Priority Objectives
9. To encourage a mixed range of suppliers to help create a varied and competitive marketplace.
10. To ensure that small firms are not unfairly excluded from bidding for council business.
11. To reduce the negative effect on the environment of the products and services we buy.
12. To promote and demonstrate best practice for sustainable procurement
13. To ensure that procurement activity incorporates statutory requirements and local aspirations in regard to Equality and Diversity.


	Key Actions/Projects	Comments	Lead Officer
	21. Ensure Equality Monitoring of Key Partners in accordance with the Councils Integrating Equality in Procurement Guidance.	Equality Monitoring of Key partners has been carried out where appropriate and has not identified any cause for concern.	Janet Hinds
	22. Monitor the effectiveness of the Sustainable Procurement policy through regular updating of the Sustainable Procurement Register.	The Sustainable Procurement Register has been updated and continues to demonstrate consideration of sustainable procurement principles. 2010/11 additions to the register include the refurbishment of trade waste bins, procurement and installation of segregated for recycling litter bins at Astley Park, specification and use of natural materials in play areas, replacement of 60 old and inefficient desk top and other printers with 8 MFD's (multi functional devices), and the introduction of e-procurement technology minimising paper usage and travel, and making the Council's procurement opportunities more widely accessible to all suppliers, including local businesses, SME's and social enterprises.	Janet Hinds



	Key Actions/Projects	Comments	Lead Officer
	23. Develop and implement an action plan to achieve the targets and actions contained within Level 3 of the Flexible Framework for Sustainable Procurement.	The elements of levels 1-3 that are considered relevant and proportionate to district councils have now been achieved and optimum benefits have been realised.	Janet Hinds
	24. Ensure relevant procurement exercises incorporate sustainability factors as appropriate within the specification and evaluation criteria	Sustainability factors have been included where relevant e.g, specification and procurement of segregated litter bins at Astley Park, specification of FSC certified timber in play areas and specification of all natural materials at Yarrow Valley Natural Play Area.	Janet Hinds
	25. Share and take advantage where possible of sustainable procurement best practice.	The procurement team have attended free NWIEP sustainable procurement training and have accessed national frameworks prepared by specialist buyers, taking advantage of shared learning and best practice.	Janet Hinds
	26. Review developing markets and increase the volume of Fairtrade products we buy, wherever feasible.	Fairtrade tea and coffee has been tried at Chorley but has not proved popular and is no longer procured by the Civics team. Rainforest alliance coffee is sold through the Yarrow Valley Country Park Vending Machine.	Janet Hinds
	27. Ensure that our key partners commit to the aspirations of both councils in terms of sustainability and equality and diversity.	Key Partners are managed in accordance with the Council's Framework for Partnership Working which includes a commitment to both Equality and Sustainability principles. Additionally Equal Opportunities Monitoring of Key partners is carried out periodically.	Contract Managers
	28. Wherever possible (within legal constraints), support local suppliers by encouraging them to engage in appropriate procurement exercises.	A number of arrangements have been put in place to make the Council's procurement opportunities widely available and accessible to local suppliers, SME's and third sector providers, including publication of a Selling to the Council Guide, use of the Chest e-tendering system (free of charge for suppliers), with information and a link to the Chest on the Council's web site. Additionally, the Procurement Team attended a Lancashire Meet the Buyers event in June 2011 to engage with local suppliers and explain the procurement process.	Janet Hinds



	Key Actions/Projects	Comments	Lead Officer
	29. Work with third sector suppliers to encourage them to apply for appropriate contracts.	<p>As stated above the Council's procurement arrangements are designed to make procurement opportunities widely available and easily accessible to all including the third sector, SME's and local suppliers.</p> <p>Current examples of working with the third sector include Midstream Garden Centre and Preston Care and Repair. Midstream Garden Centre, a third sector provider employing people with learning difficulties, supplied plants and compost for the Council's hanging baskets . Preston Care and Repair are a not for profit organisation and have been awarded a new 12 month contract for Handy Person services.</p> <p>Additionally, the Councils uses many specialist environmental charities to carry out conservation projects such as the British Trust for Conservation Volunteers and the Lancashire Wildlife Trust.</p>	Janet Hinds

Corporate Priority – Procurement that works with partners and suppliers to everyone's advantage and exploits the benefits of technology

Priority Objectives
14. To electronically enable as many steps in the procurement cycle as possible.
15. To introduce, where feasible, further e-Commerce solutions e.g. e-auctions, e-tenders and Purchase cards subject to a rigorous business case being met.

	Key Actions/Projects	Comments	Lead Officer
	30. Implement and promote the North West Regional Procurement Portal "The Chest, including e-tendering.	<p>The Chest has been implemented at both South Ribble and Chorley Councils and has been used for several procurement exercises.</p> <p>Contract Procedure Rules have been reviewed and amended to accommodate the new e-tendering procedures.</p>	Janet Hinds

	Key Actions/Projects	Comments	Lead Officer
	<p>31. Deliver the Common Partnership Financial Management Information Systems Project to replace the Powersolve system at South Ribble and implement a shared financial system for the Shared Services Partnership:</p> <p>32. Phase 1 (including Procurement, Debtors, Creditors, General Ledger and Bank reconciliation) go live date of October 2010</p> <p>33. Phase 2: Commence implementation 2 of the asset management module during October 2010.</p>	<p>Implementation of the new financial system was rescheduled to 1st April 2011 due to a change in project scope, agreed by the project board, to implement the shared financial system on a different hardware platform than originally specified. Instead of using the existing hardware the opportunity to implement on a virtualised system was taken by realigning this projects timescales with the implementation of Chorley's virtualised environment. The project went live on 01/04/2011 as planned.</p> <p>Due to the rescheduling of Phase 1 of the project Phase 2 will not now begin until late summer 2011</p>	Lee Hurst
	<p>34. Achieve CBC/SRBC Combined PI Targets of:</p> <ul style="list-style-type: none"> - Payment by electronic means (BACS) 90% -97.75% of suppliers invoices paid within 30 days -85% of suppliers invoices paid within 22 days -50% of suppliers invoices paid within 10 days <p>To increase the number of purchase orders issued electronically from 09/10 rates of CBC 41.46% and SRBC 5.74%</p>	<p>Achieved 93.62%</p> <p>Achieved 98.09%</p> <p>Achieved 91.94%</p> <p>Achieved 61.67%</p> <p>Increased at CBC to 66.78%. The number at SRBC has remained constant as the previous financial system was in place until year end. This should improve significantly in 2011/12 at SRBC with the introduction of the new system.</p>	Lee Hurst

	Key Actions/Projects	Comments	Lead Officer
	35. Maintain /Develop Selling to the Council Guide and procurement area on the Councils' respective websites	The Selling to the Council Guide and procurement area on the web site have been refreshed to update officer responsibility and contact details and to incorporate new e-tendering procedures.	Janet Hinds
	36. Implement Programme of Consolidated invoicing to reduce the number of invoices processed and increase average invoice value.	A review has been carried out to identify and introduce consolidated invoicing where appropriate across both authorities and not already in place . Combined average invoice value has increased from £1441 in 09/10 to £1708 in 10/11.	Janet Hinds

Glossary of Terms

The “Chest” – The North West’s e-procurement portal including a full e-tendering system which has been promoted by the Lancashire Procurement Hub and part funded by NWIEP and has which has now been adopted by many North West Authorities.

Public Sector Procurement Consortia – professional public sector buying organisations, usually established as a joint Committee of Local Authorities, operating within the Local Government (Goods & Services) Act 1970. Consortia act as a purchasing agent for their member authorities and other customers, providing a professional, collaborative procurement and supply service. Examples include Yorkshire Purchasing (YPO) and Eastern Shires Purchasing Organisation (ESPO)

Contract Procedure Rules (CPR’s) – The Council’s internal rules which govern the procurement process and form part of the Constitution. These have previously been called Standing Orders for Contracts.

Framework Agreement – An agreement which allows the Council to call off from a supplier to provide supplies, services or works in accordance with the terms of the agreement. The Framework agreement itself usually constitutes a non-binding agreement with no obligations on the Authority to call off from the supplier. If the Council calls off from the supplier a binding contract comes into being. The Council is able to utilise/ call off from many national framework agreements which have been advertised in accordance with public sector procurement legislation by public sector consortia or the Government Procurement service (previously called Buying Solutions)

Lancashire Procurement Hub (LPH) -The Lancashire Procurement Hub was established on September 2008 and is based at Pendle Borough Council and includes a team of 3 officers. The LPH works across the sub region to identify opportunities for authorities to procure collaboratively. The LPH is represented on the NWIEP Board and is currently funded until March 2012.

NWIEP – North West Improvement and Efficiency Partnership, formed from the merger of the North West Centre of Excellence (NWCE) and the North West Improvement Network (NWIN) and is a partnership dedicated to helping local authorities and their partners achieve efficiency and improvement objectives, as set out in the North West Improvement and Efficiency Partnership Strategy.

Public Contracts Regulations – All local authorities and public sector bodies are subject to European Union (EU) Public Procurement Directives that govern how it may purchase goods, works or services above a specified value. These directives are included in UK law as the Public Contracts Regulations.

Spend Pro – Spend analysis tool promoted by the Lancashire Procurement Hub and part funded by NWIEP.