



# **Corporate Procurement Strategy**

**2011 – 2014**

**June 2011**

## Contents

<b>1.</b>	<b>INTRODUCTION .....</b>	<b>3</b>
<b>2.</b>	<b>WHAT IS PROCUREMENT? .....</b>	<b>3</b>
<b>3.</b>	<b>WHAT IS SUSTAINABLE PROCUREMENT?.....</b>	<b>3</b>
<b>4.</b>	<b>CORPORATE PROCUREMENT STRATEGY .....</b>	<b>4</b>
<b>5.</b>	<b>STRATEGIC OBJECTIVES .....</b>	<b>5</b>
<b>6.</b>	<b>PROCUREMENT VISION AND MISSION STATEMENT .....</b>	<b>6</b>
<b>7.</b>	<b>ALIGNMENT TO THE CORPORATE PLAN AND FINANCIAL STRATEGY .....</b>	<b>7</b>
<b>8.</b>	<b>PROCUREMENT STRUCTURE .....</b>	<b>7</b>
<b>9.</b>	<b>STRATEGIC PROCUREMENT .....</b>	<b>7</b>
9.1	COLLABORATIVE PROCUREMENT .....	8
9.2	MANAGING AND DEVELOPING SUPPLIERS .....	8
9.3	EFFICIENCY IN PROCUREMENT .....	9
<b>10.</b>	<b>CORPORATE PROCUREMENT STRATEGY DELIVERY .....</b>	<b>9</b>
<b>11.</b>	<b>IMPLEMENTING THE CORPORATE PROCUREMENT STRATEGY .....</b>	<b>10</b>
11.1	PROCUREMENT PERFORMANCE IMPROVEMENTS AND EFFICIENCIES .....	10
11.2	REVIEW OF STRATEGY .....	10
11.2.1	REPORTING AT OFFICER LEVEL .....	10
11.2.2	REPORTING TO ELECTED MEMBERS.....	10
11.2.3	EXTERNAL REPORTING.....	10
	<b>APPENDIX A – WEST LoTHIAN COUNCIL PROCUREMENT IMPROVEMENT PLAN 2011-2014 ...</b>	<b>11</b>

## **1. Introduction**

The Corporate Procurement Strategy establishes council procurement objectives and provides a Procurement Improvement Plan for 2011/12 to 2013/14. The Strategy reflects both local and national policies and priorities and promotes effective procurement across the whole organisation.

Emphasising the increasing importance of Sustainable Procurement, the Strategy supports wider social, economic and environmental objectives, in ways that offer real long term benefits.

Budgetary pressures and the requirement for efficiencies mean that council procurement activity is paramount in successful service provision. Strategic Procurement will be of significant importance as the council needs to deliver the financial strategy.

The authority to award Contracts or Agreements, issue Purchase Orders or other commitment is defined within the council's Standing Orders.

## **2. What is Procurement?**

Procurement is the process by which the council acquire goods, services and works from third parties to meet customer and service user needs.

The procurement process spans the whole life cycle from the identification of a requirement through sourcing, evaluation, selection, award, mobilisation and ongoing performance monitoring, to the end of the useful life of an asset or service / works contract. Procurement is a significant proportion of the council's expenditure, with currently over £230m worth of goods, services and works procured annually from external suppliers.

It is imperative that all council procurement activities are based upon the following principles: accountability, non-discrimination, equal treatment, transparency, mutual recognition, proportionality, continuous improvement and fair competition.

The council is required to comply with EU Procurement Directives, International Trade Treaties, UK and Scottish legislation governing Public Sector procurement. The existing UK Government Public Sector Equality Duties on disability, gender and race equality also place a statutory requirement on the council to support equality of opportunity through procurement.

## **3. What is Sustainable Procurement?**

Sustainable Procurement can be defined as '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 procuring organisation, but also to society and the economy, whilst minimising damage to the environment.'

Sustainable Procurement obtains value for money by improving public procurement efficiency and using public market leverage to facilitate local and global benefits by, considering and blending environmental, social and economic impacts for both present and future generations:

- **Environmental** - includes the use of recycled and recyclable products, natural resource consumption, 'greener' sources of energy, energy efficiency, management of waste, and the impact of transportation to reduce environmental impact and ecological footprint.

Under Single Outcome Agreement (SOA) 14, the council is committed to reducing the local and global environmental impact of its consumption and production.

- **Social** - includes enabling of employment / training opportunities and community benefits through the inclusion of social and community clauses within contracts, adopting ethical sourcing practices, encouraging and promoting good health and ensuring that suppliers and contractors do not contravene equality and diversity policies.
- **Economic** - focuses on retaining expenditure within the local economy by providing help and support to local businesses, especially small to medium enterprises and improving access to opportunities.

Sustainable Procurement will be embedded throughout council procurement processes taking social, economic and environmental considerations into account when determining the specification of goods, services and works and procuring the most sustainable option where it offers best value

Sustainability will also be embedded throughout the council's supply chain. As a major purchaser, the council will encourage suppliers and contractors to consider the impact of their products and services, and to offer more sustainable alternatives.

The council recognise the benefits of having a diverse supplier base and will ensure that there are no barriers to small and medium enterprises, local businesses, social enterprises and the third and voluntary sectors

To help organisations understand and take necessary steps to improve procurement practice and bring about sustainable procurement, the Sustainable Procurement Task Force developed a 'Flexible Framework'<sup>1</sup>. The Scottish Procurement Directorate has developed the Scottish Sustainable Procurement Action Plan<sup>2</sup> to reflect the 'Flexible Framework'. The Scottish Sustainable Procurement Action Plan identifies actions and timescales for improving Scotland's sustainable procurement practices. The council has already undertaken an initial benchmark assessment against the Flexible Framework and will continue to measure progress on an ongoing basis.

#### 4. Corporate Procurement Strategy

This Corporate Procurement Strategy is a response to the dynamic procurement agenda, recognising that the effectiveness of procurement will have a considerable influence on the successful achievement of council objectives towards making a positive difference to the services provided by West Lothian Council.

The Strategy will provide a corporate focus, direction and vision for all procurement activities, while establishing a robust governance structure. It ensures procurement contributes to the delivery of the council's Corporate Plan, implementing sustainable procurement and sustainable development principles whilst achieving Best Value and delivering procurement cashable savings.

Maximising collaborative procurement activity, the Strategy promotes the highest standards of professionalism and sharing of experience and best practice.

## 5. Strategic Objectives

Twelve strategic objectives have been identified which will form the basis of West Lothian Council's Procurement Improvement Plan (Appendix A) over the next three years:

- Strategic Objective 1** - Provide procurement leadership and governance for achieving Best Value
- Strategic Objective 2** - Ensure availability of a corporate framework to guide council procurement
- Strategic Objective 3** - Demonstrate a well planned approach to defining supply need
- Strategic Objective 4** - Demonstrate a clear understanding of how to best satisfy supply needs
- Strategic Objective 5** - Manage contracts and suppliers effectively
- Strategic Objective 6** - Demonstrate efficient and robust processes and systems to support advanced procurement activity
- Strategic Objective 7** - Ensure availability of sufficiently capable people to demonstrate effective procurement performance
- Strategic Objective 8** - Assess procurement performance and demonstrate improvements
- Strategic Objective 9** - Deliver value for money from sustainable procurement activity
- Strategic Objective 10** - Minimise the environmental impacts of our contracts
- Strategic Objective 11** - Encourage a strong sustainable local economy and sustainable supply chains
- Strategic Objective 12** - Implement sustainable procurement practices

The Corporate Procurement Strategy objectives will be applied throughout the council and reflected in the council's Standing Orders.

## 6. Procurement Vision and Mission Statement

The council is committed to developing and improving its procurement practices to ensure that all future procurement activities are as efficient and effective as possible.

John F McClelland's review of Scottish Public Sector procurement was published in 2006 and highlighted a number of identified weaknesses and proposed recommendations to enable McClelland's vision for advanced procurement performance to be achieved.

The Public Procurement Reform Programme was set up in 2006, in response to the McClelland Report. The Procurement Reform Delivery Group agreed in January 2009 that a single Procurement Capability Assessment should be developed to promote the sharing of best practice and continuous improvement across the Scottish Public Sector.

The Procurement Capability Assessment assists organisations improve their structure, capability, processes and ultimately performance, by attaining the best standards that are appropriate to the scale and complexity of their business.

The Procurement Capability Assessment assesses capability in key areas against common criteria and standards which will allow public bodies, locally, at sector level and nationally, to identify where best practice already exists, where there are gaps and where continuous improvements and efficiencies can be implemented.

Organisations have the opportunity, where appropriate, to develop and implement improvement plans as a result of the Procurement Capability Assessment with assistance from the relevant Centre of Expertise. For the council, the Procurement Capability Assessment is facilitated by Scotland Excel.

Now in its third year for Local Authorities, the council increased its capability score from 22% in 2009 to 27% in 2010. Although some improvement is evident, and West Lothian Council has advanced its procurement performance from a "Developing" status to a "Conformance" status, the progress is insufficient to realise the efficiencies available to an organisation achieving a status of "Improved Performance" or "Superior Performance".

To ensure optimum procurement benefits are obtained for the council, a comprehensive council – wide review of procurement was conducted during 2011. The implementation of the recommendations from the review will address the limitations of the council's structure, processes, procedures, documents, roles and responsibilities relating to procurement activity. This commitment will help to ensure this Strategy succeeds by delivering new and improved ways of working and establishing stronger relationships between the new Corporate Procurement Unit, its customers and suppliers.

To complement the Corporate Procurement Strategy, the following mission statement summarises the council's procurement vision:

**“To achieve superior procurement performance through advanced sustainable procurement practices for the benefit of the council and its stakeholders”**

## **7. Alignment to the Corporate Plan and Financial Strategy**

The council's vision and its core values act as the focus for all council activities. Strategic Procurement will assist the council to achieve its corporate goals and contribute to achieving the council's financial strategy proposed savings target of £3 million from 2011/12 to 2013/14.

## **8. Procurement Structure**

Procurement within the council places the corporate and strategic activity centrally through the Corporate Procurement Unit, whilst at the same time enabling service specific strategy and operational activity to be managed within the service areas where the technical expertise resides.

In order for the council to meet its needs and deliver sustainable value, strong working relationships are required between the Corporate Procurement Unit and its customers. User Intelligence Groups will be used for all major contracts, comprising "technical experts" and Corporate Procurement Unit personnel.

To enable council contracts to be initiated in the most appropriate way to meet user requirements whilst realising financial and other benefits, a Category Management procurement approach will be adopted for key spend areas.

### **8.1 Category management**

Category Management involves analysing the council's supplier expenditure into categories and breaking down spend into individual supplies and service groupings within the overarching category.

Category Management leads to better engagement and more effective planning of procurement activity, offering opportunities to develop people and processes to enable a holistic view of spend. Opportunities for enhanced collaboration to maximise Best Value through strategic procurement are also enhanced.

## **9. Strategic Procurement**

Strategic procurement is long term planning to ensure timely supply of goods, services and works that are critical to the ability to meet core business objectives. Strategic procurement considers analysis of expenditure, looking across services and partnerships to identify synergies and opportunities for improving economy, efficiency and effectiveness. The drivers for successful Strategic Procurement are:

- Availability and quality of data
- Capacity and capability to analyse the data and package to achieve Best Value
- Segmentation and prioritisation of expenditure categories

Our approach to strategic procurement is demonstrated below:

## **9.1 Collaborative Procurement**

The council is fully committed to participating in the national and regional procurement agenda, utilising collaborative initiatives implemented through Scottish Procurement, Scotland Excel, OGC Buying Solutions and other Scottish Local Authorities and Public Sector Bodies where appropriate.

Collaborative opportunities with other Public Bodies will offer scope to deliver Best Value in terms of:

- Aggregation of spend to produce economies of scale
- Minimising duplication of effort and optimising the use of resources
- Opportunity for experts to work in partnership

The council has realised financial savings through collaborative procurement over the past few years.

### **Scottish Procurement Contracts**

Scottish Procurement arranges 'Category A' contracts for supplies and services that are standard or of a similar nature across the largely common requirements of users within the whole of the Public Sector in Scotland, e.g. Stationery, IT Hardware and Software, Utilities, etc. The council currently utilise 9 Scottish Procurement contracts although this number is expected to soon increase.

### **Scotland Excel Contracts**

Scotland Excel arranges 'Category B' contracts for supplies and services that are high-value and of a standard or of a similar nature and common in requirements across Scottish Local Authorities, e.g. Food, Library Books, Wheelie Bins, etc. Of the 42 Scotland Excel contracts available, the council currently use 37. Existing council contract arrangements are in place for the other 5.

### **Office of Government Commerce Buying Solutions (OGC Buying Solutions)**

Part of the Efficiency and Reform Group within the UK government's Cabinet Office, OGC Buying Solutions facilitates the buying process in providing access to more than 1,500 suppliers that provide supplies and services across the entire UK Public Sector, e.g. gas oil, telecommunications and automotive fuel. The council currently utilises 12 OGC Buying Solutions contracts.

### **Regional / Local Contracts**

Where the contract is established by West Lothian Council or another Local Authority for use by the council and other regional partners this is classed as a Category C1 contract. Of the 16 C1 contracts currently in use, 10 have been arranged by the council.

Exemption from collaborative contracts use can only be granted in accordance with council Standing Orders.

## **9.2 Managing and Developing Suppliers**

It is essential that the council obtains maximum value and optimum service delivery throughout the contract lifecycle. Supplier engagement is required to understand what drives, enables and encourages suppliers to bid for contracts. The council must strive to develop relationships with its suppliers that are mutually advantageous, based on continuous improvement of performance and mutual financial and non financial benefits.

West Lothian Council is committed to working with Small and Medium sized enterprises (SMEs), Social Enterprises (SEs) and local suppliers to sustain and develop the local economy and maximise employment opportunities.

### **9.3 Efficiency in Procurement**

In order to achieve efficiencies and transform council services, it is essential that the council procures legally and professionally. Compliance with procurement procedures and contracts is important for achieving Best Value, and is also critical to managing risk within the council.

#### Electronic Procurement (eProcurement)

eProcurement is integral to the overall development of efficient procurement processes and involves the use of electronic systems to procure and pay for supplies, services and works. By utilising eprocurement the council can:

- Increase control and consistency of processes
- Reduce transaction costs
- Improve management information and visibility of spend
- Improve spend compliance

The council utilises a comprehensive set of eprocurement solutions that include:

- Public Contracts Scotland for online advertising of contract opportunities and requesting quotations,
- Electronic Sourcing Scotland for online tendering
- PECOS for supplier ordering and invoicing.

Advancement in technology enables a reduction in unnecessary costs and the use of eprocurement will be progressed to ensure its extensive use within the council.

## **10. Corporate Procurement Strategy Delivery**

The Procurement Capability Assessment evaluates procurement competence across the council against eight characteristics and four levels of aptitude. The objective of the Procurement Capability Assessment is to set out a mechanism for identifying areas where organisations can strengthen their approach to procurement and ultimately improve performance. All Scottish Public Bodies are measured against the following criteria:

- 1 Procurement Leadership and Governance
- 2 Procurement Strategy and Objectives
- 3 Specifications
- 4 Sourcing Strategies and Collaborative Procurement
- 5 Contract and Supplier Management
- 6 Key Purchasing Processes and Systems
- 7 People
- 8 Performance Measurement

The Procurement Capability Assessment is an appraisal of how the council corporately performs with regard to procurement activity. The council as a whole will take ownership for the responsibility of delivering the required procurement performance and the Corporate Procurement Unit will provide the necessary direction with the continued support of the council's Corporate Management Team.

The objectives of the Procurement Capability Assessment and the objectives of Corporate Procurement Strategy have the overall goal of improving procurement within West Lothian Council. Therefore, the strategic objectives of this Strategy have been developed to provide a consistency of approach with the Procurement Capability Assessment.

## **11. Implementing the Corporate Procurement Strategy**

This Strategy forms part of the council's corporate approach to delivering and supporting the council's objectives. Through the adoption of a strategic approach to procurement we aim to integrate procurement planning as part of the overall business planning process.

### **11.1 Procurement Performance Improvements and Efficiencies**

Implementation of the strategic procurement objective activities detailed in Appendix A will be monitored through performance management arrangements within the Corporate Procurement Unit and overseen by the Head of Finance and Estates and a Procurement Steering Board chaired by the Chief Executive.

In addition, the council uses a range of national and local indicators to measure its performance in procurement activity. Actual performance is reported on a quarterly basis against procurement targets set by the Scottish Government and within the Finance and Estates Management Plan.

### **11.2 Review of Strategy**

Although this Strategy covers the period 2011 to 2014, ongoing developments in Public Sector procurement will necessitate regular review to ensure the Strategy continues to be aligned with the initiatives that may arise. The strategy will be subject to annual review.

#### **11.2.1 Reporting at Officer Level**

The Head of Finance and Estates will report progress on a quarterly basis to the Procurement Steering Board. The report will provide an update of the progress made to date against the strategic procurement objective activities detailed in the Procurement Improvement Plan, see Appendix A.

#### **11.2.2 Reporting to Elected Members**

Progress against the Strategic objective activities within the Procurement Improvement Plan will be reported annually to the Partnership and resources Policy Development and Scrutiny Panel. Monitoring of Strategy progress will be reported to the Council Executive at months 4, 6, 9 and out-turn in line with financial monitoring arrangements.

#### **11.2.3 External Reporting**

The council reports progress to the Scottish Government against a range of National Best Practice Indicators used to identify the benefits that have arisen from the council's participation in the Centres of Expertise. Additionally, the council's Procurement Capability Assessment performance is reported by Scotland Excel.

Benchmarking of West Lothian Council progress against other Public Sector Organisations will be performed to identify Best Practice and reported on an annual basis to the Corporate Management Team and Council Executive.

## Appendix A – West Lothian Council Procurement Improvement Plan 2011-2014

The objectives identified within the Corporate Procurement Strategy will be delivered through the activities within this plan.

<b>Objective 1- Provide procurement leadership and governance for achieving Best Value</b>		
<b>Activities</b>	<b>Risk if Activity Not Performed</b>	<b>2011/12 Progress</b>
A Procurement Steering Board comprising the council Chief Officers will be established and will meet quarterly to support the Corporate Procurement Manager to accelerate procurement development throughout the council and to deliver improved procurement for West Lothian.	Lack of acceptance of importance of procurement and reluctance to change resulting in maintenance of existing performance.	
Whole contract lifecycle documentation will be developed to guide procurement professionals. The Procurement Journey will be rigorous and robust in stipulating the appropriate procurement procedures and templates to be used. A gateway review process will also be developed for all contracts awarded by the council.	Lack of consistency across organisation leading to loss of efficiency and savings and potential challenges from suppliers.	
<b>Objective 2 - Ensure availability of a corporate framework to guide council procurement</b>		
<b>Activities</b>	<b>Risk if Activity Not Performed</b>	<b>2011/12 Progress</b>
The Corporate Procurement Strategy will be sufficiently communicated throughout the council to ensure that it is embedded and that everyone is aware of their role and responsibility delivering the required procurement outcomes.	Inability to deliver efficiencies and Best Value.	
Appropriate procurement training will be developed and delivered to ensure that key procurement professionals understand the Strategy. Information and best practice will be shared throughout the council.	Failure to deliver objectives and improve performance.	
A standard suite of procurement procedures, policies and processes will be developed and implemented throughout the council with a clear message that use is compulsory.	Lack of consistency across organisation leading to loss of efficiency and savings and potential challenges from suppliers.	

<b>Objective 3 - Demonstrate a well planned approach to defining supply need</b>		
<b>Activities</b>	<b>Risk if Activity Not Performed</b>	<b>2011/12 Progress</b>
The Corporate Procurement Unit Category Managers will meet with Services to ascertain and plan for future procurement requirements.	Lack of information and co-operation from services in delivering requirements.	
The Corporate Procurement Unit, along with representatives from User Intelligence Groups will investigate the use of new and alternative products and services on the market in an effort to improve council performance.	Failure to optimise requirements and deliver Best Value.	
Comprehensive tender specifications will be developed to ensure that requirements are documented in a structured and consistent manner.	Failure to deliver Best Value and optimum savings.	
Training will be developed and delivered where necessary to ensure that all procurement professionals are aware of the required content for specifications.	Failure to deliver objectives and improve performance.	
Catalogue ordering will be promoted where possible. Non-catalogue ordering will be monitored for catalogue suppliers, with a view to increasing catalogue content and therefore enabling enhanced management information.	Lack of efficiency across organisation.	

<b>Objective 4 - Demonstrate a clear understanding of how to best satisfy supply needs</b>		
<b>Activities</b>	<b>Risk if Activity Not Performed</b>	<b>2011/12 Progress</b>
User Intelligence Groups (UIGs) will be established to assist contract strategy development, tender evaluation, contract monitoring and supplier management, project implementation, and compliance and benefits tracking.	Lack of support from customers and availability of information required to deliver benefits.	
A contract strategy development guide will be developed as part of the Procurement Journey documentation. The development guide will be supported by the introduction of a contract strategy template which will facilitate best practice and consistency across the council.	Lack of consistency across organisation and failure to deliver Best Value and savings.	
Collaboration with other organisations will be routinely investigated as part of the contract strategy development process.	Failure to deliver Best Value and optimum savings.	
Benefits tracking templates will be developed and implemented for use within the Corporate Procurement Unit. Contract responsibility, status, length, value, target and confirmed savings will be recorded.	Inability to monitor performance and achieve optimum service delivery.	
The activities from the West Lothian Sustainable Procurement Action Plan will be implemented.	Inability to ensure compliance to strategy, policy and processes.	
Increased benchmarking opportunities will be explored by the Corporate Procurement Unit through analysis of the supply market and the use of spend data from the Spikes Cavell hub.	Failure to deliver Best Value and perform detailed spending reviews.	
The principles of the Scottish Government's Supplier Charter will be used, where practical, to simplify and standardise procurement processes and to ensure consistency in order to provide a fair and open approach to tendering.	Failure to comply with council's Corporate Plan objectives and legislative / policy requirements.	
The use of the 'Small Lot' provision will where appropriate provide local and SMEs with contract opportunities, which are aligned to the capabilities of their enterprises, providing the total value of the lots is less than 20% of the contract value.	Failure to comply with council's Corporate Plan objectives and legislative / policy requirements.	

<b>Objective 4 (Continued) - Demonstrate a clear understanding of how to best satisfy supply needs</b>		
<b>Activities</b>	<b>Risk if Activity Not Performed</b>	<b>2011/12 Progress</b>
The council will make use of 'Reserved Contract' arrangements by restricting participation in a tendering exercise to supported factories and businesses for at least one contract.	Failure to comply with council's Corporate Plan objectives and legislative / policy requirements.	
Through membership of the Supplier Development Programme, the Corporate Procurement Unit will actively participate in supporting SMEs to access the public procurement market.	Failure to comply with council's Corporate Plan objectives and legislative / policy requirements.	
<b>Objective 5 - Manage contracts and suppliers effectively</b>		
<b>Activities</b>	<b>Risk if Activity Not Performed</b>	<b>2011/12 Progress</b>
All contract opportunities will be advertised on the council's Business Portal and the Scottish Government's National Advertising Portal, Public Contracts Scotland (PCS).	Lack of consistency across organisation and potential process inefficiency.	
Appropriate PCS training will be developed and delivered to promote the use of the portal.	Lack of consistency across organisation and potential process inefficiency.	
The number of quantitative KPIs and SLAs agreed with suppliers will be increased to enable enhanced performance measurement.	Failure to extract maximum value from contracts.	
A Contract and Supplier Management Strategy will be developed and implemented to ensure a consistent approach to managing contracts and suppliers across the council.	Failure to extract maximum value from contracts.	
A Communications Strategy will be developed to ensure that the correct audience are receiving the correct information at the correct time with regard to contracts.	Increases in off-contract spend and failure to extract maximum value from contracts.	

<b>Objective 6 - Demonstrate Efficient and Robust Processes and Systems to Support Advanced Procurement Activity</b>		
<b>Activities</b>	<b>Risk if Activity Not Performed</b>	<b>2011/12 Progress</b>
A corporate contract register will be developed and implemented within the council with a clear message that use is compulsory.	Lack of appropriate information leading to reduced savings and potential duplication of effort and contract conflict.	
The Quick Quote facility will be implemented throughout the council to obtain competitive quotes for low value / low risk procurement exercises.	Process inefficiency and lack of consistency.	
All legacy systems will be interfaced with PECOS to ensure a consistent use of procurement systems and availability of management information.	Lack of appropriate information leading to reduced savings and process inefficiency.	
More efficient ordering and invoicing techniques will be implemented to encourage increased on time payment of invoices.	Failure to optimise legislative compliance levels and realise efficiencies.	
<b>Objective 7 - Ensure availability of sufficiently capable people to demonstrate effective procurement performance</b>		
<b>Activities</b>	<b>Risk if Activity Not Performed</b>	<b>2011/12 Progress</b>
A Competency Framework will be used to identify the gap between what currently exists and what is required moving forward with regard to procurement competency across the council.	Inability to realise optimum performance from procurement staff and failure to meet future procurement demands.	
A Training Strategy will be developed to ensure that suitable training provision is delivered according to the number of individuals and level of requirements.	Inability to realise optimum performance from procurement staff and failure to meet future procurement demands.	
Online training courses will be developed to provide procurement fundamentals and procurement systems training across the council.	Failure to comply with legislation, obtain optimum customer input and realise work efficiencies.	

<b>Objective 8 - Assess Procurement Performance and Demonstrate Improvements</b>		
<b>Activities</b>	<b>Risk if Activity Not Performed</b>	<b>2011/12 Progress</b>
Procurement Status reports will be developed and implemented within the Corporate Procurement Unit. Details of procurement activity and benefits tracking will be reported to the council's Senior Management teams by the Corporate Procurement Unit Category Managers.	Lack of available information to obtain maximum value from contracts.	
Quarterly performance meetings will be established, attended by the Head of Finance and Estates Services, the Corporate Procurement Manager, the Category Managers, Procurement Development Manager and appropriate Accountants within the Financial Management Unit. The meeting group will discuss the benefits tracking for each category, review progress of contracts, contract compliance and the actual savings generated against the target of £1.8m between 2011 and 2013.	Failure to achieve maximum output from procurement activity.	
The activities identified within the annual PCA action plan will be implemented to ensure improved procurement performance and an increasing capability score for the council.	Failure to realise optimum procurement performance improvement.	
<b>Objective 9 - Deliver value for money from sustainable procurement activity</b>		
<b>Activities</b>	<b>Risk if Activity Not Performed</b>	<b>2011/12 Progress</b>
The council will accept the Most Economically Advantageous Tender (MEAT) and not only lowest price. This approach will allow the whole life costs and environmental characteristics to be considered when determining the most economically advantageous tender.	Inability to ensure compliance to strategy, policy and processes.	
Procurement professionals will be trained and receive guidance in whole life costing.	Lack of consistency across organisation, potential challenges from suppliers and a potential failure to deliver objectives.	
The council's future capital investment proposals will be supported with a financial appraisal which incorporates full life costing.	Potential failure to deliver objectives.	
The council will consider new products and services to pioneer, particularly in the use of carbon saving and recycled goods.	Inability to deliver efficiencies and Best Value.	

<b>Objective 10 - Minimise the environmental impacts of our contracts</b>		
<b>Activities</b>	<b>Risk if Activity Not Performed</b>	<b>2011/12 Progress</b>
Environmental criteria will be used where appropriate in the awarding of contracts with supplier environmental policies and procedures taken into account as part of the supplier appraisal process.	Potential challenges from suppliers and a potential failure to deliver objectives.	
The council will specify where appropriate the use of and minimum standards for environmentally friendly materials and products that minimise environmental effects in their production, use and disposal.	Inability to ensure compliance to strategy, policy and processes and a potential failure to deliver objectives.	
'Government Buying Standards' <sup>iii</sup> will be referred to during the creation of contract specifications for appropriate commodities to ensure that the council is aware of the most up to date environmental developments and research impacting upon procurement decisions.	Inability to deliver Best Value, ensure compliance to strategy, policy and processes and a potential failure to deliver objectives.	
The Corporate Procurement Unit will work with suppliers and customers to introduce 'Fair Trade' products within range of options and investigate possibilities for committing to the use of 'Fair Trade' principles within sourcing strategies, where appropriate.	Inability to deliver Best Value, ensure compliance to strategy, policy and processes and a potential failure to deliver objectives.	
Partnership events will be developed and supported to promote sustainable procurement within West Lothian (including Fair Trade).	Failure to optimise requirements and deliver Best Value.	
The use of eprocurement solutions will be promoted and monitored throughout the council.	Failure to optimise savings and consistency across the council.	

<b>Objective 11 - Encourage a strong sustainable local economy and sustainable supply chains</b>		
<b>Activities</b>	<b>Risk if Activity Not Performed</b>	<b>2011/12 Progress</b>
A supplier engagement programme will be developed to encourage and guide businesses to adopt sustainable development principles and practices. Support will also be provided for the implementation of sustainable procurement practices throughout the council and supply chains.	Failure to comply with council's Corporate Plan objectives and inability to deliver Best Value.	
Local organisations will be positively encouraged to bid for business with the assurance that they have an equal chance of success, e.g. low value contracts will be published on 'Quick Quote'.	Potential challenges from suppliers, inability to deliver Best Value and lack of compliance to Strategy objectives.	
The Corporate Procurement Unit will ensure that contractors, suppliers, volunteers and staff are aware of the council's selection and tendering processes which will positively address and include diversity and equality considerations to ensure that services are provided free from discrimination, harassment or victimisation.	Lack of consistency across organisation, potential challenges from suppliers and a potential failure to deliver objectives.	
Opportunities will be considered for the development of appropriate contractual provisions to deliver community benefits within major contracts, e.g. encourage bidders to enhance local employment and skills opportunities and vocational training.	Failure to comply with council's Corporate Plan objectives.	
Local businesses will be given access to appropriate support through the local business gateway.	Failure to comply with council's Corporate Plan objectives.	
Public procurement advice will be offered to West Lothian organisations through the establishment of regular Procurement Surgeries.	Failure to comply with council's Corporate Plan objectives and failure to deliver strategic procurement objectives.	
The council will aim to have at least one contract awarded to a supported factory or business and opportunities for further provision will be investigated.	Failure to comply with council's Corporate Plan objectives and failure to deliver strategic procurement objectives.	
An annual survey of West Lothian organisations will be undertaken to obtain feedback and explore opportunities to develop, expand and increase the use of SMEs, Social Enterprises and the voluntary and third sectors.	Failure to comply with council's Corporate Plan objectives and failure to deliver strategic procurement objectives.	

<b>Objective 12 - Implement sustainable procurement practices</b>		
<b>Activities</b>	<b>Risk if Activity Not Performed</b>	<b>2011/12 Progress</b>
The Corporate Procurement Unit will continue to attend the Scottish Sustainable Procurement Working Group through its membership of Scotland Excel.	Potential failure to deliver continuous improvement and optimum Best Value.	
The council will implement the Scottish Sustainable Procurement Action Plan.	Failure to deliver objectives and improve performance.	
Sustainable procurement guidance and training will be provided for key procurement professionals to ensure that those with responsibility for procurement are skilled in integrating sustainable development considerations.	Lack of consistency across organisation, potential challenges from suppliers and a potential failure to deliver objectives.	
The council will embed sustainable procurement within contract specifications, tender evaluation, monitoring of outputs and outcomes and supplier engagement.	Potential failure to deliver objectives and achieve Best Value.	
The council will use the UK Sustainable Procurement Task Force's Flexible Framework <sup>iv</sup> to benchmark current practice and develop an improvement plan by the end of 2011/12. The council will aim to achieve Level 3 against the Flexible Framework by 30 June 2012.	Failure to deliver objectives and improve performance.	
Sustainable procurement awareness will be promoted through the development of Best Practice Guides to ensure that procurement professionals integrate sustainability into major purchasing decisions.	Lack of consistency across organisation, potential challenges from suppliers and a potential failure to deliver objectives.	
The council will ensure participation in any collaborative exercises which promote sustainable procurement best practice.	Potential failure to deliver strategic procurement objectives and achieve Best Value.	

**'End of Document'**

<sup>1</sup> The Flexible Framework [www.actionsustainability.com/evaluation/flexible\\_framework/](http://www.actionsustainability.com/evaluation/flexible_framework/)

<sup>2</sup> Sustainable Procurement Action Plan for Scotland  
<http://www.scotland.gov.uk/Publications/2009/10/sspap>

<sup>iii</sup> Government Buying Standards : <http://www.defra.gov.uk/sustainable/government/advice/public/buying/index.htm>

<sup>iv</sup> The Flexible Framework [www.actionsustainability.com/evaluation/flexible\\_framework/](http://www.actionsustainability.com/evaluation/flexible_framework/)