

EXETER CITY COUNCIL

**SCRUTINY COMMITTEE - RESOURCES
25 MARCH 2009**

**EXECUTIVE
7 APRIL 2009**

**SUSTAINABLE PROCUREMENT AND COMMISSIONING STRATEGY 2009 – 2012
AND PROCUREMENT REPORT**

1. PURPOSE OF THE REPORT

- 1.1 To seek approval for a Sustainable Procurement and Commissioning Strategy.
- 1.2 To report to Members progress made against last year's Procurement Action Plan.
- 1.3 To outline the Sustainable Procurement and Commissioning Action Plan for 2009/2010.

2. BACKGROUND

- 2.1 Following the Council's Strategic Review of Procurement a Procurement Strategy was adopted in November 2004.
- 2.2 A report was presented to this committee on 9 March 2008, which detailed the progress against the 2007/2008 action plan and identifying areas where further work was envisaged in the coming year. This partly informed the basis of the Procurement Action Plan for 2008/2009.
- 2.3 One of the key actions was to review and amend the Council's Procurement Strategy to reflect changes in legislation, requirements from the mock inspection of Housing Services and in preparation for unitary status.

3. PROGRESS TO DATE

Sustainable Procurement and Commissioning Strategy

- 3.1 The Procurement Strategy, developed in November 2004, has proved a useful document. However, given the rate at which the procurement agenda is changing, its increasing use as a measure of efficiency and effectiveness and because the majority of the actions identified have been completed or are in progress it was recognised there was a need to review and update the Procurement Strategy.
- 3.2 The Sustainable Procurement and Commissioning Strategy (the strategy has already been made available for members) will replace the existing Procurement Strategy with effect from April 2009. The strategy has been widely consulted on. Internal consultees include all Heads of Service, officers with specific purchasing and related specialisms such as health and safety, trade unions and the Procurement Group. Additional consultation has been undertaken with potential and existing suppliers and partners.
- 3.3 The Sustainable Procurement and Commissioning Strategy will be supported by a Procurement and Commissioning Good Practice Guide which in turn will be supported by a number of 'tool kits'. The tool kits will provide straight-forward guidance on key elements of procurement and commissioning such as developing a specification, risk management, appointing consultants, etc. This guidance will be available on the intranet to assist officers preparing to contract with others.

Organisational Structures

- 3.4 The Procurement Group continues to meet on a regular basis and also forms a virtual team, which considers changes to processes and documentation relating to procurement on a regular basis. Members of the group are and have been heavily involved in strategic projects such as the Exeter ARK, the RAMM project and the replacement electronic financial management system. They have also managed or assisted with the development of corporate contracts for agency staff and advertising future work will include developing and reviewing the procurement strategy for housing repairs.
- 3.5 The Procurement Group has also critically reviewed existing contract arrangements. A recent example was a review of the arrangements for installation and development of play areas. The specialist nature of this work has necessitated a mixed approach to procurement to maintain flexibility and achieve value for money. A report will shortly be presented to Executive detailing the arrangements.

Working with small businesses

- 3.6 We continue to work with small businesses in Exeter and the surrounding region to increase their involvement in bidding for Council work. This is being expanded to involve the voluntary and community sector. During the year presentations have been given to the Exeter Chamber of Commerce, South West Constructing Excellence and the Federation of Small Businesses. The increasing use of the *Selling to the Council* web page is essential to continue this work.

Marketplace

- 3.7 A major piece of procurement related work is the introduction of the electronic marketplace in conjunction with the replacement of the financial system. The marketplace is a system which uses electronic catalogues to simplify the purchase of goods and services. Exeter has, through the Devon Procurement Partnership, subscribed to @ UKPLC to provide this facility. The marketplace will reduce the costs of transactions and provide more detailed management information on purchasing. This will in turn allow greater competitive pressure to be applied on suppliers.
- 3.8 To help suppliers adapt to this new approach the Council will be working with them providing support and assistance where appropriate.

Exeter City Council's Green Accord

- 3.9 The Green Accord is an agreement that binds suppliers to the sustainability philosophy of Exeter City Council. It tackles issues such as fuel usage, travel and waste reduction/recycling and in doing so helps each service achieve compliance with the Council's Sustainable Purchasing Policy. Suppliers are initially required to self-assess their own compliance with our sustainability requirements, which sets a benchmark for future improvements to be measured against. Accreditation starts at Select level (red apple status) and increases to premier status (green apple).
- 3.10 Information on what we have already achieved with the Green Accord is available on our external webpage, www.exeter.gov.uk/greenaccord . Potential suppliers are able to download the Green Accord and view useful additional information and the self-assessment itself. Suppliers who do not pass the Green Accord self assessment or fail subsequent audits are not permitted to work for the Council and cannot remain upon the approved or select lists.
- 3.11 All construction related suppliers on the select lists have now assessed for Green Accord status. In addition they have signed up to the Green Accord confirmation of Commitment and completed a training needs form. A very small minority of suppliers

who did not comply/meet with the set requirements have been taken off the Council's list until such time as they resubmit a successful assessment.

- 3.12 To increase involvement of contractors, a non-construction based version of the Green Accord has been developed and further developments are being made to ascertain the best way to apply sustainability to each service and so produce a corporate Green Accord.
- 3.13 As there is no similar accreditation system for sustainability, we are currently working with Envision and Envirowise to turn our work on sustainability into the standard for a new accreditation scheme with national recognition for excellence and best practice. Already local suppliers are keen to use their Green Accord status to demonstrate sustainability within their business practices and it is also hoped this will secure business growth for local suppliers.
- 3.14 The Green Accord is gaining national credibility having recently won and been nominated for several national awards, and a number of organisations have indicated they wish to use it for their supply chains. The Council has certified the scheme and a business case is being developed with a view to creating an income generating accreditation system.

4. FUTURE PLAN OF WORK

- 4.1 The progress achieved against the 2008/2009 Procurement Action Plan is attached at Appendix I. Considerable progress has been achieved but there are still a number of significant tasks identified as having an ongoing need to continue.
- 4.2 The Sustainable Procurement and Commissioning Action Plan for the coming year is attached as Appendix II.

5. RECOMMENDED

that Scrutiny Committee Resources

- 1) approves the Sustainable Procurement and Commissioning Strategy;
- 2) notes the progress made to date and;
- 3) supports the Sustainable Procurement and Commissioning Action Plan for 2009/2010.

HEAD OF CONTRACTS AND DIRECT SERVICES

S:LP/Committee/309SCR2/Sustainable Procurement & Commissioning Report v3
27.3.09

COMMUNITY & ENVIRONMENT DIRECTORATE

Local Government (Access to Information) Act 1985 (as amended)

Background papers used in compiling this report:

None