

# Carmarthenshire County Council's Procurement Strategy

2018-2022

DRAFT

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# Foreword

Welcome to Carmarthenshire County Council's Procurement Strategy for 2018-2022.

The launch of this strategy is a good opportunity to look back at the progress made by our commitment to a more strategic approach to procurement and to look ahead to the challenging times which we face.

It is more important than ever that we have the best arrangements in place to deliver innovative solutions that help us reduce costs and improve the services that we deliver to our residents.

We will continue to use procurement to positively impact on Carmarthenshire's economy and communities in delivering social, economic and environmental benefits.

This strategy outlines our priorities for 2018-2022 and shows how procurement will contribute to achieving the Council's objectives and reduce the budgetary pressures over the next 4 years.

Carmarthenshire County Council spends more than £215 million annually with external organisations and we have a duty to make sure that this spending represents value for money for the residents of the County through efficient and effective procurement policies and practices.

As the Director with responsibility for this key area, I recognise that innovative procurement is fundamental to achieving our vision, protecting our front line services and supporting a socially sustainable economic environment.

I am pleased to report that since the summer of 2017, we have entered a Joint Procurement Shared Service collaboration arrangement with Pembrokeshire County Council. This has benefited both Authorities and has allowed us to jointly develop the Category Management model of procurement in the most efficient and effective way.



*Cllr. David Jenkins*  
*Executive Board Member for Resources*



*Chris Moore*  
*Director of Corporate Services*

# Introduction

## Our Purpose

Carmarthenshire is the third largest county in Wales and this Council is responsible for providing a diverse range of services to over 185,000 residents.

In doing so, we spend approximately £215 million annually on goods, services and works.

The aim of this procurement strategy is to have a framework in place so that procurement and commissioning decisions play a key role in supporting the delivery of the aims of the Council's Corporate Strategy, Carmarthenshire's Well-Being Plan and 'Moving Forward – The Next 5 Years' Plan.

The overarching themes and core values include making better use of resources and a commitment to ensuring that the economic, social and environmental well-being of Carmarthenshire is at the heart of our activities.

This strategy will outline priorities for 2018 – 2022 to inform how procurement will contribute towards achieving these aims.

## What is procurement?

"The process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment." <sup>1</sup>

## What do we mean by commissioning?

"The cycle of assessing the needs of the people in the area, designing and then securing appropriate services." <sup>2</sup>

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<sup>1</sup> Procuring the Future 2006 – Sustainable Procurement Task Force definition and Wales Public Procurement Policy Statement 2015.

<sup>2</sup> UK Cabinet Office 2006.

# Our Vision for Carmarthenshire

***“To apply strategic thinking to all our procurement activities.”***

We are facing unprecedented challenges in delivering quality, value for money and sustainable services in Carmarthenshire.

We need, as an organisation, to be creative and do things differently maximising the impact of the money we spend in the form of added benefit for the people in Carmarthenshire.

This Strategy aims to ensure that we obtain best value for money on all procurement activities.

To this end:

- We will recognise and manage procurement as a strategic corporate function that organises and understands expenditure;
- We will influence early planning and service design and will be involved in decision making to support delivery of the Council's overarching objectives through the introduction of a Category Management approach.

## Procurement Route Map



# Our Governance

## Transformation, Innovation and Change Procurement Board

The Transformation, Innovation and Change (TIC) Procurement Board was put in place following a review by the Council's TIC Team which highlighted the need for a more strategic vision for commissioning and procurement activities across the organisation.

Chaired by the Director of Community Services - who is also the Strategic Lead - the Board has oversight of all procurement spend with a view to identify areas of spend for challenge 'why' and 'how' spend is being packaged. It includes representatives from all Directorates.

The TIC Procurement Board provides updates to the Corporate Management Team as and when key decisions are required.

Regular updates are also presented to the TIC Programme Board chaired by the Chief Executive.

## The Corporate Procurement Unit

Carmarthenshire County Council's Corporate Procurement Unit is based within the Revenues & Financial Compliance Division of the Corporate Services Department.

In late 2017, the team expanded to consist of 4 Principal Procurement Officers supported by 5 Senior Procurement Officers, following investment in the Unit to support the move to Category Management.

Demands for high quality advice from the procurement function are increasing year on year and staff are supported to develop their professional development. Officers are experienced and qualified (with 2 currently

working towards) to a Professional Level (Chartered Institute of Procurement and Supply).

## Joint Procurement Shared Service

Since the Summer of 2017, our procurement officers have been working with Pembrokeshire County Council's Procurement Unit as part of a Joint Procurement Shared Service for an initial period of 2 years.

The aim of the Shared Service is to work collaboratively to deliver one Category Management approach across both Councils thus reducing duplication and identifying opportunities for cashable savings together.

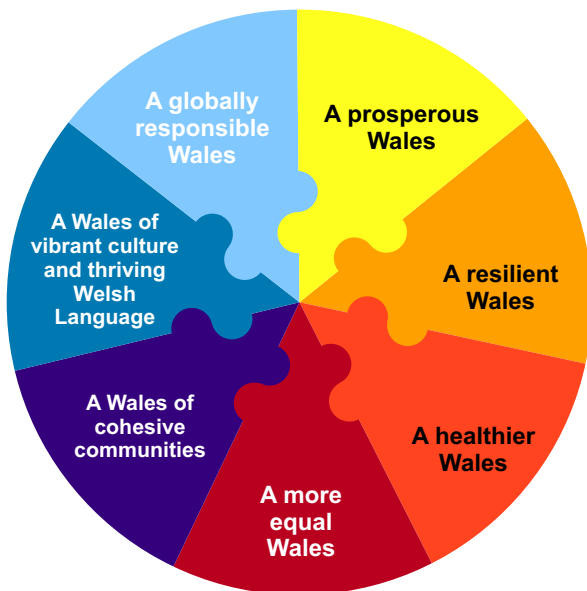
The Shared Service Procurement Team includes 5 joint leads in different category spend areas (please see page 9 for a breakdown of Carmarthenshire's spend in these Categories) and a joint lead for wider policy and compliance themes.

This approach will provide both Councils with skills, capacity and resilience to respond to the increasing scale and complexity of operational procurement activity.

The Mid & West Wales Fire Service are now being supported by the Shared Service, which has enhanced the benefits, skills and resilience across the three teams.

# Our Statutory Context

## Welsh Government's Seven Well-Being Goals of the Future Generations Act



Carmarthenshire County Council has 15 Well-being Objectives drawn from the seven Well-Being Goals identified in the Welsh Government's Future Generations Act.

Procurement, as a strategic function will feed into all 15 with its work with the departments, although we will directly contribute to the following 5:

- Reduce the number of young adults that are Not in Education, Employment or Training (NEET)
- Create more jobs and growth throughout the county
- Look after the environment now and for the future
- Promote Welsh Language and culture
- Governance and use of resources

The Well-being of Future Generations (Wales) Act (2015) requires each public body to carry out sustainable development, which means the process of improving the economic, social, environmental and cultural well-being of Wales. The role of procurement will be an important part of how a public body allocates resources under the Act.



Procurement is governed by the EU Public Sector Procurement Directive 2014 which was transposed into UK Law by the Public Contract Regulations 2015. It is not currently envisaged that the outcome of the Brexit vote in June 2016 will result in any significant changes in the regulations during the life of this Strategy. However, the situation will be closely monitored and the strategy reviewed annually to ensure compliance with any changes.

***“the role of procurement will be an important part of how a public body allocates resources under the Act”.***



## Key Policy Drivers

The Welsh Government's Wales Procurement Policy Statement (2015) clearly lays out the principles by which public sector procurement should be delivered in Wales.

The 10 principles are embedded throughout this Strategy which demonstrates our continued commitment to achieving them.

We will continue to pursue Community Benefits in all appropriate procurement exercises which will contribute to the social, economic and environmental well-being of the wider community. This might include training and employment opportunities, improved supply-chain opportunities, increased educational contributions, environmental benefits and/or community initiatives.

A key principle for procurement in Carmarthenshire is supporting successful and sustainable SMEs who are critical to the Welsh economy as a whole and to the local economy of this county in particular. They comprise 99.3% of all businesses in Wales.

In Carmarthenshire, more than 99% of businesses are SMEs and 86% are Micro Enterprises with less than 10 employees.

We will ensure our procurement activity is in accordance with all relevant legislation and policy, including the Equalities Act (2010), the Welsh Language (Wales) Measure 2011, and the Welsh Government's Code of Practice for Ethical Employment in Supply chains.

As one of the partners of the Swansea Bay City Deal, Carmarthenshire County Council is leading on a key project to create a 'Wellness and Life Science Village' at Delta Lakes, Llanelli. With a total investment of more than £200million, the aim is to improve the health and wellbeing of people across the region,

creating high quality jobs and boosting the economy. Through the project's procurement process the Council is seeking to appoint a delivery partner who will pursue targeted community benefits and will be required to work with local suppliers and local organisations to improve sustainability, to contribute to supply chain initiatives and support the development of social enterprises to deliver targeted site services.

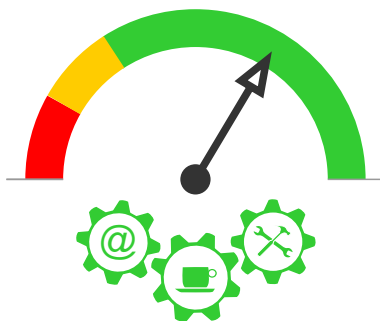
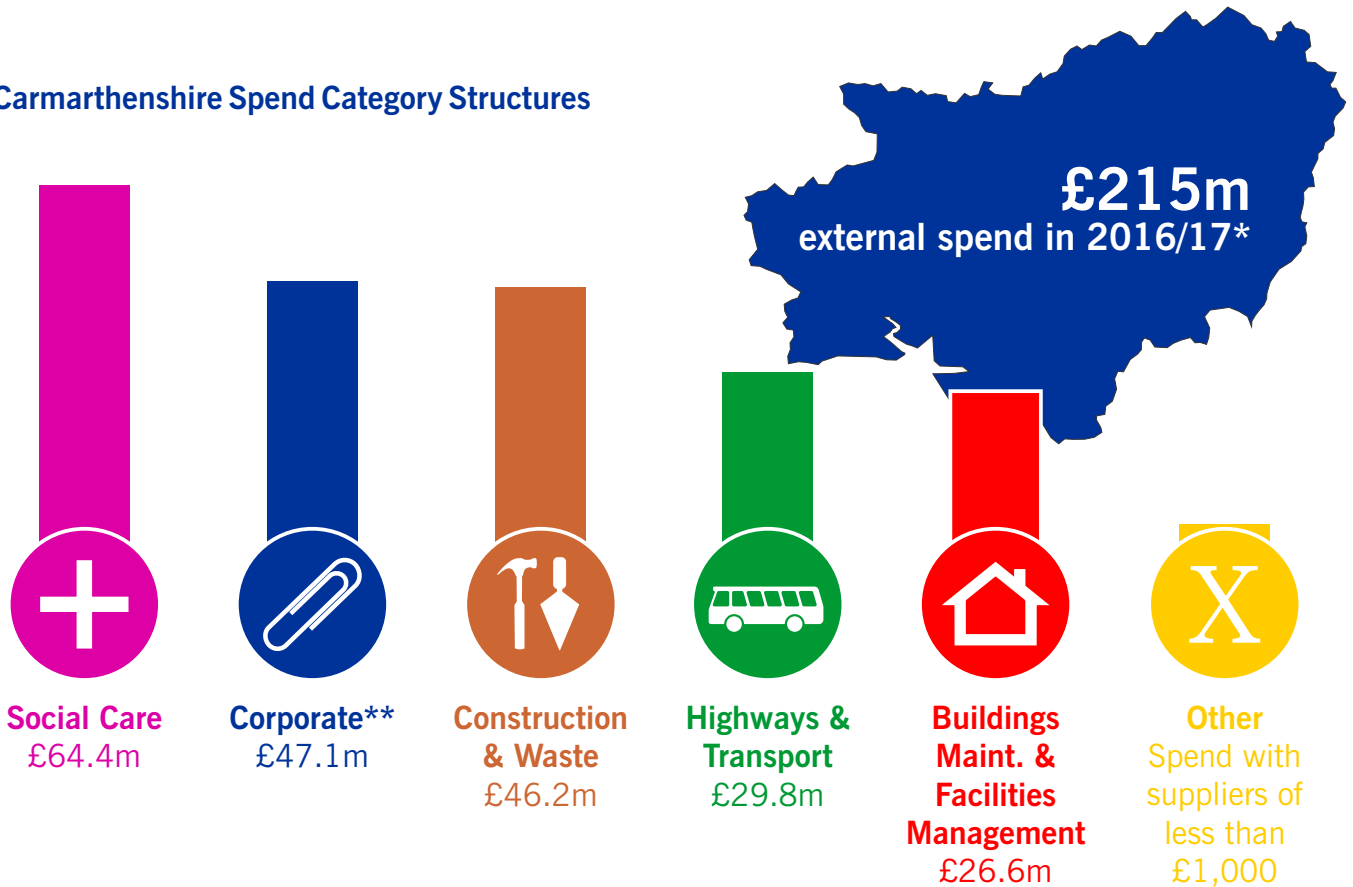


*Cross Hands East Strategic Employment Site - Contractor delivering work experience opportunities on site.*

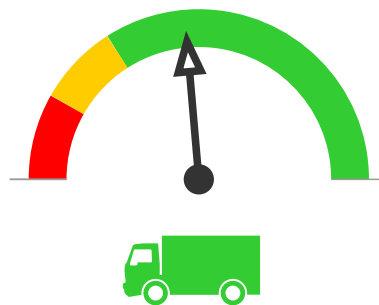


# Our Spend

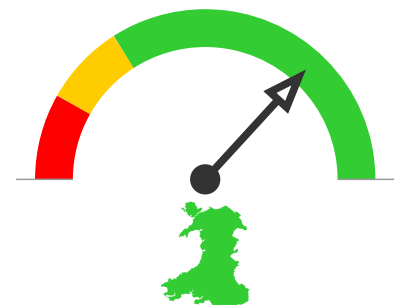
## Carmarthenshire Spend Category Structures



Average Welsh local authority spend with SMEs is **65%**



Average Welsh local authority spend within county is **29%**



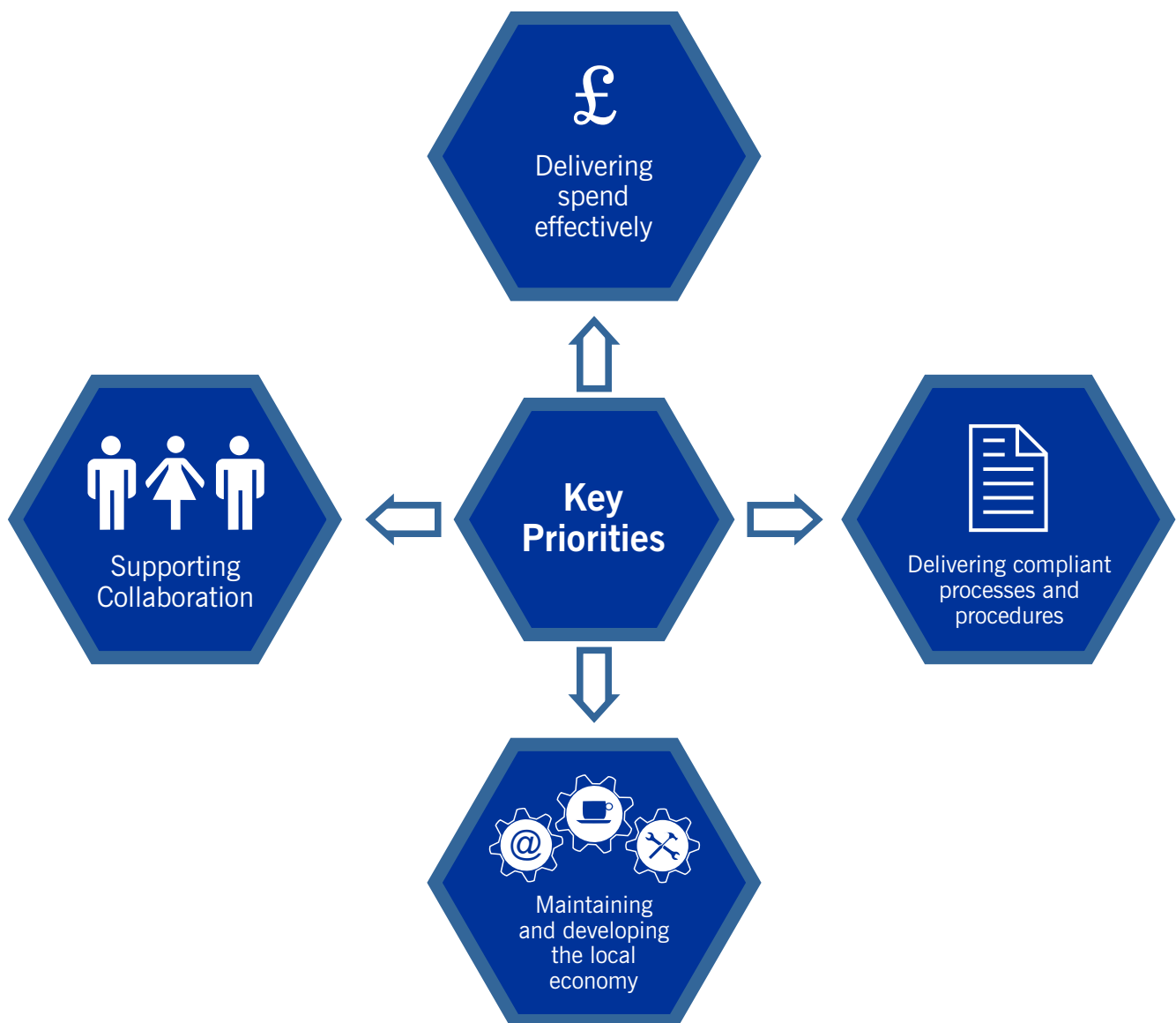
Average Welsh local authority spend with Welsh suppliers is **59%**

\* ATAMIS Spend Data 2016/17 which includes schools expenditure

\*\* 'Corporate' spend includes ICT, Catering, Agency Staff, Culture & Leisure, Financial Services and Public Protection

## Our Priorities

In line with our support for the delivery of the aims of the Council's Corporate Strategy (2015-2020) and the Integrated Community Strategy we have identified the following key priorities for the Corporate Procurement Unit:



## Delivering Spend Effectively

### Why is this important?

We need to ensure we are spending money in a way that is efficient and delivers value for money. We must buy the right things and take into account the whole life costs of our commissioning and procurement decisions and their impact on the local economy, society and environment.

### What do we want out of it?

Strategic Sourcing is the key process at the heart of effective procurement and category management. This approach is based on an understanding of our business needs and market analysis. To adopt this approach, projects will adopt the following route map:



Through the introduction of Category Management we will apply a strategic approach which organises procurement resources to focus on specific areas of spend. This enables Category Managers to focus their time and conduct in depth market analysis to fully leverage their procurement decisions on behalf of the whole organisation.

We will use the Category Management approach to identify, develop and deliver cashable savings through innovative procurement which will deliver sustainable services.

### How are we going to achieve this?

#### Key actions:

- We will design and implement a Category Management approach to ensure that we manage supply and demand across all our procurement activities to ensure we achieve value for money.
- We will support the identification and delivery of efficiencies delivered through the Category Plans, and monitor and capture savings.

## Delivering Compliant Processes and Procedures

### Why is this important?

The complexity of EU Procurement Law and developing case law necessitates that the Council runs effective tender processes that are compliant and transparent with current and emerging legislation and best procurement practices.

In an increasingly litigious marketplace the Council must safeguard itself against potential challenges which, if proved successful, could bring about significant damages and legal costs.

### What do we want out of it?

We want to ensure our officers throughout the Council who are responsible for procuring goods/works or services are aware of their responsibilities to undertake compliant procurement activities.

### How will we achieve it?

Key actions:

- We will continue to develop standard processes and templates which are compliant with current legislation, emerging case law and national policy.
- We will monitor single tender actions and report to Audit Committee.
- We will work with departments to implement effective contract management across the Council.

- We will ensure we have an informed and continuously trained core Corporate Procurement Team who are able to offer professional procurement guidance to departmental officers.
- We will continue to develop a range of Training courses and e-learning modules to support the Category Management teams and departmental officers.
- We will consider our eProcurement approach following direction provided by Welsh Government.



## Maintaining and Developing Local Economy

### Why is this important?

What we spend has a profound impact on the local economy in terms of sector sustainability and job creation. It also carries a risk to our local businesses when that spend is withdrawn and placed elsewhere. We want a strong supply base who have equal opportunities to bid for work with the Council.

There is a strong political will in this Council to support the local economy whilst remaining compliant with EU procurement legislation. This has led to innovative approaches in terms of early supplier engagement and simplified processes.

### What do we want out of it?

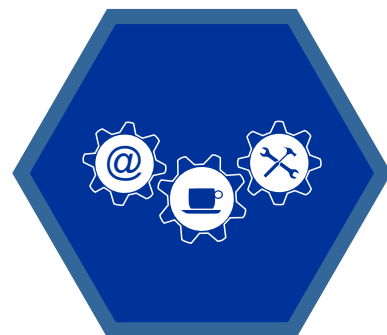
We want to assist in the development of a vibrant, local and broader Welsh economy which is capable of delivering strong and sustainable growth. We want to achieve maximum value for every pound we spend in the widest sense; building stronger communities, reducing social exclusion and poverty and encouraging the development of our economy.

### How will we achieve it?

Key actions:

- We will consider Value for Money as the optimum combination of whole-of-life costs in terms of not only generating efficiency savings and good quality outcomes for the Council, but also benefit to society and the economy, whilst minimising damage to the environment.

- We will continue to ensure that local small to medium sized enterprises are given full opportunity to compete for and provide goods, services and works to the Authority.
- We will continue to apply Community Benefits to all procurements where such benefits can be realised, and will record and report these utilising the Welsh Government's Community Benefits Measurement Tool.
- We will continue to use Welsh Government supported tools such as the Sustainable Risk Assessment to ensure that maximum consideration is given to sustainability issues early in the procurement process and the Joint Bidding Guide, to encourage collaborative bids.



## Supporting Collaboration

### Why is this important?

We recognise that as budgets contract, new and innovative ways of providing services such as partnering, joint working and collaboration with other public and not for profit organisations need to be examined. The Welsh Government are promoting alternative delivery models in public service delivery.

### What do we want out of it?

We acknowledge the value that collaboration has within the public sector in order to maximise economies of scale and our buying power, and to drive efficiencies and innovative solutions.

### How will we achieve it?

Key actions:

- We will continue to implement the Procurement Shared Service pilot with Pembrokeshire County Council to implement a joint Category Management approach.
- We will continue to work in partnership with other local authorities and agencies to identify other potential areas which would benefit from a regional procurement approach.
- We will ensure that collaborative opportunities are used where they add value and contribute positively to the Council's priorities.
- We will continue to actively engage in the

production and use of National Procurement Service (NPS) collaborative contracts and frameworks where appropriate and in the best interests of the Authority.



# Monitoring delivery and performance

The delivery of this Strategy will be managed through a Delivery Plan with progress reported on an annual basis. The Delivery Plan will contain detailed actions and appropriate measures:

- Monitor the Council's spend to inform the Category Management Plans and capture Efficiencies identified and delivered.
- Monitor Effective Contract Management.
- Monitor what we have achieved through the pursuit of Community Benefits.
- Monitor the level of procurement training delivered throughout the organisation.
- Review the procurement performance measures in the Departmental Business Plan and replace this with a new set of Key Performance.



## Useful Links

Carmarthenshire County Council – Tenders and Contracts

<http://www.carmarthenshire.gov.wales/home/business/tenders-contracts/>

Chartered Institute of Procurement & Supply (CIPS)

[www.cips.org](http://www.cips.org)

National Procurement Service (NPS)

<http://nps.gov.wales/about-us/procurement-in-wales?lang=en>

Official Journal of the European Union

<https://www.ojeu.eu>

Sell2Wales

<https://www.sell2wales.gov.wales>

Tenders Electronic Daily (TED)

<http://ted.europa.eu>

Value Wales

<http://gov.wales/topics/improving-services/better/vfm/?lang=en>

Welsh Government Procurement Route Planner

<http://prp.gov.wales/splash?orig=/>

The Corporate Procurement Unit is part of the Revenues & Financial Compliance Division, within the Corporate Resources Department.

To contact the Corporate Procurement Unit, please call 01267 234567 or email:

[procurement@carmarthenshire.gov.uk](mailto:procurement@carmarthenshire.gov.uk)

# Glossary of Terms

ATAMIS - Spend Analysis and Contract Management Software

CCC - Carmarthenshire County Council

CIPS - Chartered Institute of Procurement & Supply

EU - European Union

ICT - Information & Communication Technology

NEET - Not in Education, Employment or Training

NPS - National Procurement Service (Wales)

OJEU - Official Journal of the European Union

SMEs - Small Medium Enterprises

TED - Tenders Electronic Daily

TIC - Transform, Innovate & Change