

 Executive 4th June 2008		Agenda Item No.
Title	Procurement: Strategy and action plan, codes of practice and standard terms and conditions	
For further information about this report please contact	Mel Gillman Tel: 01926 456201 Email: melanie.gillman@warwickdc.gov.uk	
Service Area	Finance	
Wards of the District directly affected	All	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006	No	
Date and meeting when issue was last considered and relevant minute number		
Background Papers		

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	Yes
Included within the Forward Plan? (If yes include reference number)	No

Officer/Councillor Approval		
With regard to officer approval all reports <i>must</i> be approved by the report authors relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
Officer Approval	Date	Name
Relevant Director	16/5/08	Mary Hawkins
Chief Executive		
CMT	15/5/08	
Section 151 Officer	16/05/08	Mary Hawkins
Legal	16/05/08	Simon Best
Finance	16/05/08	Mike Snow
Portfolio Holder(s)		Cllr Michael Doody
Consultation Undertaken		
Consultation with Bill Hunt and Tony White - procedures for property and housing services procurement. Consultation with Procurement 'champions' – Councillor Alan Rhead, Councillor Bertie Mackay and Councillor Norman Vincett		
Final Decision?	Yes	
Suggested next steps (if not final decision please set out below)		

1. SUMMARY

- 1.1 To seek approval for the revised documents:
 - a) Code of Contract Practice (including Environmental Procurement Policy), and
 - b) Procurement Strategy.
- 1.2 To seek approval for the documents:
 - a) Terms and Conditions of Purchase of Services, and
 - b) Terms and Conditions of Purchase of Goods.

2. RECOMMENDATION

- 2.1 The Executive agrees the revised procurement strategy and action plan and notes the updates on the plan
- 2.2 That the Executive recommends that the Council accepts the revised Code of Contract practice documents, and adopt the new documents to the Constitution.
- 2.3 The Executive agrees the standard terms for the conditions of contracts of both goods and services, and that these should be used for all purchase orders placed by the Council (excluding building and construction which are formed under separate terms and conditions). The terms will be displayed on the WDC web site and reference to their location and importance will be cited on all purchase orders issued.

3. REASONS FOR THE RECOMMENDATION

Procurement Strategy and Action Plan

- 3.1 The Procurement Strategy was last revised in 2006. The National Procurement Strategy has now ended. There are new procurement targets for CSR07. The Council now has a full time procurement resource in place. The strategic targets reflect the ambitions to improve procurement through training and procedural change.
- 3.2 The key achievements and actions planned in the action plan are based on key sectors for development which include:
 - Policies; to establish and maintain policies that are easy to use and accessible via the Council's web-site.
 - Aggregating purchases; working both within the Council and with other similar Local Authorities to aggregate purchases and achieve efficiencies from economies of scale.
 - E-Commerce; to develop processes which will bring efficiencies and better data collection / management.
 - Contract Management Review; ensure that all contracts are managed and reviewed regularly to be legally compliant.
 - Awareness & Training; Provide support and training for members and officers on procurement. Starting with a top-down approach in which Heads of services will be the first to receive specific training on legal issues in procurement.

Code of Contract Practice

- 4.1 The current Code of Contract Practice was written in 2002. The revised Code takes account of the many changes both within the Council and in Government strategy. The new documents have been revised taking these changes into account. ***Changes include:***
- ***the addition of the provision for electronic trading (both in procurement and disposal of assets)***
 - ***the addition of more 'bands' to the Contract Types, in order stimulate more comparisons of the market.***
 - ***Explanations of 'whole-life' costings and the benefits.***
 - ***More safe-guards over the use of consultants and control of their fees.***
 - ***The need for more stringent checks on business continuity for key suppliers.***
- 3.4 There was some duplication and cross-over within the documents revised. This was particularly true for the Code of Contract Practice and the Procurement Strategy where there was repetition.

Terms and conditions for general purchases

- 3.4 The Council does not currently have any terms and conditions available for general purchases. Hence, all trade currently undertaken will be on the suppliers' terms. This leaves the council in a vulnerable position should the service be unsatisfactory.

4. **ALTERNATIVE OPTION CONSIDERED**

- 4.1 The revised documents and terms and conditions of purchase set out how the District Council should procure goods and services to comply with best practice and legal requirements. The documents should therefore be accepted in their entirety.

5. **BUDGETARY FRAMEWORK**

- 5.1 The proposals do not directly affect the budgetary framework but will ensure best value is obtained.

6. **POLICY FRAMEWORK**

- 6.1 The Code of Contract Practice forms part of the Council's Constitution and provides the overall framework under which Council contracts are formed. The Council has a key target to manage resources effectively and ensure its services are of a high quality and the recommendations in the report should lead to actions that support this objective.