

Title of Report:	Update on Procurement Strategy 2004 – 2006	Item 11
Report to be considered by:	Executive	
Forward Plan Ref:	EX0801	

Corporate Plan Priority:	D1 – Performance improvement D2 – Building capacity through partnership and innovation D3 – Customer focus
The proposals contained in this report will help to achieve the above Corporate Plan priority by:	
<ul style="list-style-type: none"> • Developing the procurement function and raising it's profile • Reviewing and improving the procurement processes • Implementing electronic procurement systems • Ensuring equality and sustainability 	

Purpose of Report:

To appraise the Executive of updates to and progress against the Council's three year Procurement Strategy.

Recommended Action:

To approve the Update on the Procurement Strategy 2004-2006.

Reason for decision to be taken:

- Need to confirm progress and changes are in line with developments in Local Government procurement.

List of other options considered:

- None

Key background documentation:

- National Procurement Strategy for Local Government – ODPM & LGA, October 2003
- Support Services Strategic Partnership Agreement (WBC/Amey BPO Contract).
- Rules of Procedure – WBC Constitution.
- Modern Procurement Practice in Local Government – I&DeA November 2003

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Implications

Policy:	Continuing implementation of the Strategy
Financial:	There are financial implications for training requirements and there may also be financial costs involved for some of the possible partnering arrangements, such as e-marketplaces.
Personnel:	There will be a slight reduction in workload for those officers currently involved in regular day to day buying. There will be some more training and development for the personnel directly involved in the procurement function.
Legal:	Some action items will involve liaison with Legal Unit.
Risk Management:	There is a requirement to integrate risk management into the procurement function. This is included within the action plan.

1. Background

The WBC Procurement Strategy 2004-2006 was written to comply with the recommendations of the National Procurement Strategy for Local Government (October 2003). Since that time, there have been developments, not least of which is the formation of the South East Centre of Procurement Excellence, that have moved the emphasis forward. The underlying action plan for the three years strategy has been revised to incorporate these developments and to update on the progress made during the first year.

The six elements of the overall strategy remain the same

- Develop the procurement function and raise it's profile
- Review and improve the procurement processes
- Implement electronic procurement systems
- Achieve and exceed savings targets
- Comply with standards
- Ensure equality and sustainability

2. Outturn of Strategy during 2004

The progress against the original items in the action plan is noted against the relevant items in Appendix 11(b), Updated Procurement Strategy Implementation Plan 2004, in the right hand column headed "2004 outturn/status".

3. Update to the 2004-2006 WBC Procurement Strategy.

There are a number of key points of change to be noted in relation to the background to the strategy that explain how things have moved on in the last year.

- The Council is still using a manual procurement method but implementation of the Agresso finance and procurement system is progressing rapidly and will start being used as a live system during the first quarter of 2005. (Appendix 11(a): 3.1.3)
- Collation of contract and information spend information has also been progressed and along with the Agresso implementation should close the knowledge gaps that have existed in identifying the Councils procurement spend on a corporate basis. (Appendix 11(a): 3.1.4)
- The involvement of WBC in joint procurement has increased significantly with the Council now being an active member of the Thames Valley Procurement Forum (TVPF) and participating in the development of the South East Centre of Procurement Excellence (SECPE). (Appendix 11(a): 3.1.5)
- The Council's strengths and weaknesses have changed since last year. (Appendix 11(a): 3.2)
- The collaborative buying options have increased with TVPF and SECPE and more corporate agreements have been put in place.
- The Central Procurement Unit has raise it's profile greatly and still strives to achieve greater utilisation of it's abilities.

- Most of the other weaknesses are now being addressed through the implementation of the Agresso system.

Changes or updates to the Goals in the implementation plan have been noted in the right hand column in Appendix 11(b). One new objective has been added as Goal number 10, in section 4.2.

Appendices

Appendix 11(a) - Procurement strategy 2004 – 2006

Appendix 11(b) - Updated Procurement Strategy Implementation Plan - Nov 2004

Consultation Responses

Local Stakeholders: Amey West Berkshire

Officers Consulted: None

Trade Union: No