

DORSET PROCUREMENT

Procurement Strategy

2018 – 2020

To provide procurement and commercial expertise that supports contracts and purchasing activity to deliver value for money, social value and added value for our residents.

In year 1 (2018-2019) this Strategy will underpin Dorset County Council's procurement objectives as the Council moves through Local Government Reorganisation. In year 2 (2019-2020) the Strategy will be reviewed with the aim to reflect the needs and aspirations of Dorset Council.



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Dorset Procurement

As with all bodies in the public sector, Dorset County Council is publicly accountable for how it manages its budget.

Approximately a third of the Council's annual budget is spend on buying external goods, services and works. The effective procurement of these and other future requirements is crucial in the light of ever challenging budget reductions.

The role of Dorset Procurement is to support the Council in the commitment to achieve spend that represents best value to the tax payers of the County.

Our goal is to achieve for the Council long-term sustainable success.

Strategy Statement

Delivering value for money is key to what Dorset Procurement does.

In this Procurement Strategy, we have identified and described our ambitions under five key objectives, and for each of these we have explained key actions we will take to deliver the ambition, and how we will measure our success. Importantly we have also described how our customers and staff will be impacted.

We recognise that the context in which Dorset Procurement operates will continue to evolve, both locally and nationally. Therefore, this strategy will be updated and refreshed as necessary to ensure that we continue to provide innovative procurement and commercial support.

This strategy is subordinate to the Council's Constitution including Contract Procedure Rules and is complemented by the Council's Contract Management Procedure Guide.



The Commissioning Cycle

As illustrated below, The Institute of Public Care (IPC) links within a commissioning cycle a series of commissioning activities that are grouped under four key performance management elements: **Understand → Plan → Do → Review**

For the Council to have effective third-part arrangements in place, procurement has a role to play throughout the commissioning cycle; from Understand to Review.





Section 1 Introduction

Our Purpose

In delivering value our purpose is to ensure that commercial arrangements and contracts awarded by the Council provide great value for money, and that spend is used to provide social value for our residents, and take opportunities for added value.

We are responsible for:

- Providing professional advice and insight on markets, suppliers and commercial options to support service delivery.
- Leading the development of plans for how we spend our money with suppliers from across the private, public and voluntary/community sectors.
- Ensuring that our contracts are developed, awarded and managed and in line with best practice, and comply with the Council's **Contract Management Procedure Guide**.
- Driving **Social Value** by encouraging spend with local firms and identifying apprenticeship and skills opportunities through our supply chain.

Challenges and Opportunities

There are several challenges and opportunities to the delivery of our services:

- Managing market and cost pressures in an ongoing period of financial austerity for local government, whilst in some sectors facing increasing price and demand from the private sector that impacts our market influence.
- Delivering and building on successful partnerships, (currently working closely in some areas of the authority with NHS Dorset Clinical Commissioning Group), and driving collaboration through procurement, both locally and regionally.
- Changes to legislation relevant to procurement.
- Maximising the use of technology to drive simpler and more cost-effective processes for buyers and supplier.
- Ensuring that we have the skills, capability and capacity to deliver against our purpose as a service
- Exploring innovative contracting commercial models and collaboration with others.



Section 2 Background

Our Journey

Dorset Procurement in October 2016 joined the Financial Services team of the Council. Since then it has been establishing its role of supporting the Council to deliver best value, including savings, from strategic change (transformational), tactical change and operations (improved sourcing and purchasing) and operational change (compliance and control).

Having successfully applied category management for number of years previously, Dorset Procurement now supports the management of Council's spend and procurement under the following business area headings:

- Adults & Community Services (ACS)
- Chief Executives (CE)
- Children Services (CS)
- Dorset Waste Partnership (DWP)
- Environment & Economy (EE)
- Public Health Dorset (PHD)

The procurement team works within hybrid structure of Centre Led Action Network (CLAN) and Business Partners (illustrated on page 7).

This consist of a commercial core team located in Financial Services, a satellite team in Adults and Community Directorate and complemented with Business Partners embedded partly in business areas.

It has direct linkage to Source to Pay (S2P) Hub and Accounts Payable (AP) and vice versa.

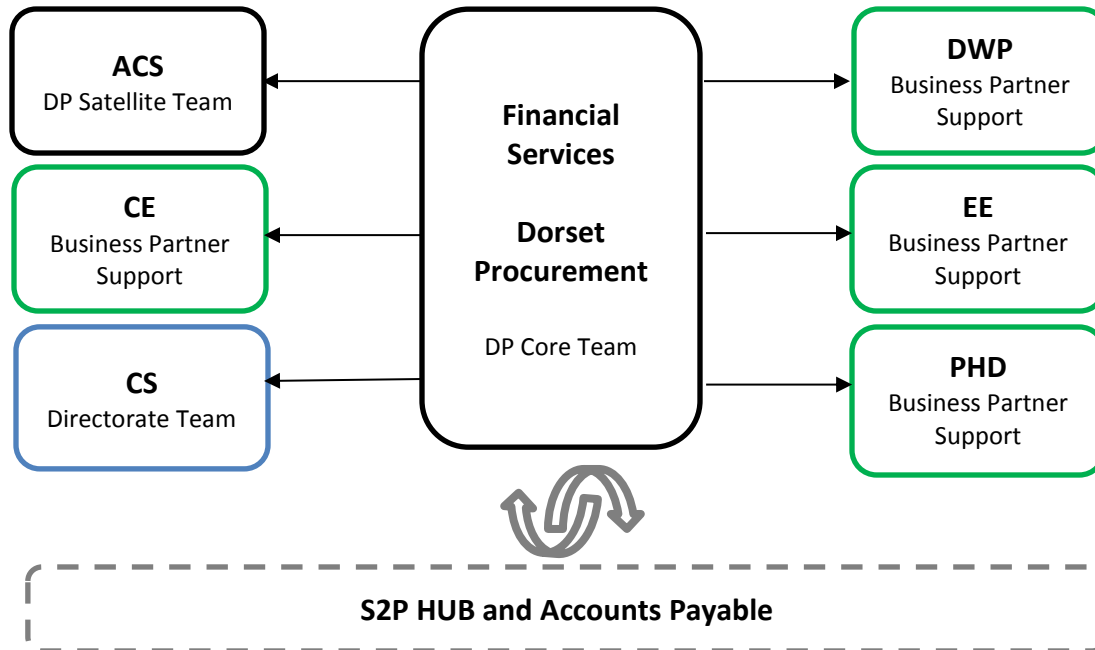
Dorset Procurement also provides a traded service to schools, academies and other external customers – this includes putting contract arrangements in place and providing procurement and contract management support.

All procurement activity of the Council, except Children Services which has their own procurement service with Business Partner from the team, is supported by Dorset Procurement.

The structure will continually evolve and flex in response to the needs and priorities of the Council.



Dorset Procurement as CLAN



Linking our Procurement Strategy with Corporate Strategies

Throughout all our activities we support the Corporate Plan of Dorset County Council. This plan sets out what the Council is doing to meet the continuing challenges of the economic climate whilst ensuring that residents of Dorset receive the services they need. The supporting outcomes framework is made up of the following four strategic outcomes reflecting the Council’s commitment to helping residents to be **safe, healthy, and independent**, with an economy that is **prosperous**.

People in Dorset are **SAFE**
*Everyone should feel **safe**, wherever they are.*

People in Dorset are **HEALTHY**
*Most people are **healthy** and make good lifestyle choices.*

People in Dorset are **INDEPENDENT**
*Confident people living in strong, supportive and vibrant communities are vital to **independent** living.*

Dorset’s economy is **PROSPEROUS**
*A **thriving** local economy provides us all with more opportunities*



Whilst each of our Procurement objectives directly or indirectly link with all four outcomes, due to the nature of the service there is more specific linkage with **Prosperous**. The measures included in our strategy directly inform the progress against the overall corporate ambitions of the Council.

More information on the Corporate Plan can be found on the Councils' websites via the following link: <https://www.dorsetforyou.gov.uk/corporate-plan-outcomes-framework>

Local Government Re-organisation

The Dorset County District and Borough Councils have commenced an ambitious programme of Local Government Reorganisation (LGR), that aims to establish two unitary authorities to deliver services for people in Dorset.

This strategy for Dorset Procurement is intended to align with the activities of LGR, eventually supporting the corporate priorities of all organisations that form the new Dorset Council.

More information on LGR can be found via the following link: <https://futuredorset.co.uk/>



Section 3 Procurement Strategy

This section describes the vision for the Procurement Service, which will be delivered by Dorset Procurement for the benefit of Dorset County Council.

The five objectives of the strategy provide the structure and framework from which we will plan and prioritise our work. These objectives are summarised below and will be subject to review each year of the strategy. Each is important as another in ensuring that we deliver our ambition and meet our overall purpose.

OBJECTIVE 1: PEOPLE, SKILLS AND DEVELOPMENT

We will have a continued focus on **people, skills and development**. It is recognised that we have a wider role to play in the development of contract management and commercial skills across our customers.

We need to ensure that the professional skills and experience that we have are used in a wide variety of projects through providing innovative commercial support, to a growing range of projects that optimise the use of our assets and drive income for our partners. Investing in, and supporting these activities, will continue to be part of our strategy.

OBJECTIVE 2: STRATEGIC SOURCING

Our customers, stakeholders and suppliers expect and demand us to deliver high quality and efficient **strategic sourcing**. Simple and streamlined processes, delivered by experts with a strong focus on the customer experience will be a core part of our offer.

We will continuously review our approach to ensure we respond to feedback, and develop the eProcurement systems we use. We are responsible for optimising the statutory and legal boundaries of EU and UK Procurement Legislation to deliver the best outcomes for residents. Underlying all our activities there needs to be a consistent culture of strong project management and programme governance. We are responsible for securing the very best value from all our activities, and a robust, structured and well managed approach is vital. This will ensure that we are using the resource and skills we do have to deliver the very best return.



OBJECTIVE 3: CONTRACT AND SUPPLIER MANAGEMENT

Improving **Contract and Supplier Management** continues to be a key deliverable for our service.

Ensuring we are applying a contract management framework to strategic and critical suppliers is essential. As those organisations delivering our services and outcomes for our residents evolve, the importance of managing relationships in a more complex environment will dramatically increase.

To drive the greatest benefits, we need to continue to review our tools, processes and skills, and look across all procurement to ensure our approach reflects the very best practice.

OBJECTIVE 4: SOCIAL VALUE

With the Social Value Act and our approach to **Social Value** in Procurement we will have a consistent and best practice approach to using our commissioning and procurement to deliver broader value to our residents, the local economy and our environment as part of Corporate Social Responsibility (CSR).

Demonstrating the wider social impact our procurement and contracting activity has had for our residents is key.

OBJECTIVE 5: PARTNERSHIP WORKING

We will aim to further enhance, develop and promote **Partnership Working** with NHS bodies, locally between the Council, the NHS Dorset Clinical Commissioning Group, other Contracting Bodies and others, such as the third sector..

This work at an operational level will support the sustainable transformation plan working towards one health and social care system.

The Adult and Community Services satellite team will lead on this partnership working with the NHS.

Review: *We will review and refresh our objectives and actions each year of the Strategy.*

In year 1 (2018-2019) this Strategy will underpin Dorset County Council's procurement objectives as the Council moves through Local Government Reorganisation. In year 2 (2019-2020) the Strategy will be reviewed with the aim to reflect the needs and aspirations of Dorset Council.



Section 4 Delivering the Strategy

Understanding the Objectives

This section provides the detail on how we will work to achieve each objective of our Procurement Strategy, including actions, outcomes and clear measures.

Under each of the objectives we have described:

Our aim

What do we want to achieve?

Key actions

What do we need to do to achieve our aim?

How our customers will notice a difference

How will this aim support our customer?

Measuring our Performance

How will we evidence that we have achieved our aim?

Throughout the delivery of the strategy we will make use of expertise that exists within our own service and beyond, to ensure that we are working towards achieving the objectives. This will include:

- Inviting internal and external stakeholders to give us feedback and constructive challenge to ensure we continue to improve.
- Engaging with external professional bodies and networks such as the Chartered Institute of Procurement & Supply (CIPS).



OBJECTIVE 1: PEOPLE, SKILLS AND DEVELOPMENT

Our aim

To attract, develop and retain the very best procurement and commercial staff with the professional, personal and technical skills to be a success in their roles. The motivation and resilience of our people to deliver is vital, and we will create a culture of happy, effective people that allow our service to thrive.

Key actions

1. Encourage and embed coaching, high performance and positive behaviours in all we do. We will maintain a development and retention programme, capturing professional, personal and technical skills for staff.
2. Place the best people into our service by encouraging internal career development at all levels as well as recruiting the best of external expertise where needed.
3. Invest in opportunities to grow the right talent across the wider department; including apprenticeships.
4. Continue and grow our commitment to a 'learning culture' organisation, through adopting a 'train the trainer' approach, and knowledge share groups.
5. Develop and deliver a high-quality training offer to our customers and suppliers, including skills in tendering, maximising Social Value, and behaviours to enable improved Supplier Relationship Management (SRM).
6. Ensure our resource is effectively used, by developing a return on investment model supported by effective planning of our available resource against the required workload.

How our customers will notice a difference

- Our customers will work with knowledgeable procurement people who add value across a range of activities and bring excellent commercial skills and understanding of our services. This will enable our customers to achieve the best commercial results and outcomes for residents.
- We will lead and contribute to training and develop programmes to improve procurement and commercial skills and capability of our stakeholders and suppliers to enable them to work effectively.
- Customers will recognise our support as crucial to the progression of their own service.
- We will enable staff to work effectively with partnership organisations to widen their opportunities for development.
- Staff feel they can develop and progress both personally and professionally.



- Personal Development Plans will support real development opportunities, including wider Council opportunities. The results of training will be reflected in manager discussions to achieve tangible outcomes.
- Staff will be active in shaping their own development to meet customer needs, with coaching or mentoring support.
- Consistent standards will result in better handovers when people move roles.
- Our competency framework will be used, regularly reviewed, and support our work to drive ongoing behavioural change.

Measuring our Performance

- Personal Development Plans developed and completed annually.
- Achieve 80% of objectives set within team PDR's.
- Maintain a low % absence rate.
- Decreasing % annual staff turnover.
- Obtain customer feedback on training offer / knowledge share.



OBJECTIVE 2: STRATEGIC SOURCING

Our aim

Our Strategic Sourcing activity (the end-to-end sourcing process) is simple, clear and efficient. We are leaders across the Council in delivering a sourcing process that achieves successful outcomes and is a positive and effective experience for our suppliers, customers and staff.

The delivery of all our projects and programmes will be robustly managed in a visible way through a performance management system and in line with agreed methodology.

Key actions

1. Align Strategic Sourcing Plans to the service outcomes to ensure a clear and robust programme of sourcing activity.
2. Best practice is driven through the tools and standards that we adopt, and these are reviewed regularly.
3. A 'tell us once' approach to supplier data is delivered across all the systems we use to improve the experience for our suppliers, and increase the consistency of our data and analysis.
4. Implement a consistent feedback process, with the results being used to make genuine and sustainable improvements to our processes.
5. Ensure compliance to EU and UK Procurement Legislation through our processes, the knowledge of our people, and our approach to regular checks.
6. Define and understand the internal cost of Strategic Sourcing to ensure we are running our end-to-end sourcing process in the most efficient way.
7. Explore commercial opportunities for all aspects of the Strategic Sourcing process, including delivery of this at a fee for customers.
8. Maximise the use of intelligence around supplier, market, service design and demand, developing the insight we provide to include forecasting.
9. Be ready to develop strategies for new areas of spend as our partners and customers grow.

How our customers will notice a difference

- Customers will fully understand the end-to-end sourcing process, and their role and responsibilities at each stage.
- Customer will be provided with advice on all aspects of the process.
- We will bring appropriate challenge, and where necessary control, to ensure that our strategic sourcing processes are robust.



- Suppliers will receive regular and constructive feedback at the end of the process to help them shape future bids and participation.
- The end-to-end sourcing process will be simple and efficient.
- Supplier and customer feedback will be used to inform future developments in the process.
- The route to market for low value purchases will be simple, quick, and transparent.
- The sourcing strategy that we adopt will encourage and enable the market to respond to the best of their abilities.
- Supplier response rates and quality of responses will improve.
- Best Practice end-to-end processes will be standardised and embedded across the all common systems, and provide a platform upon which further collaboration can be built.
- Our 'tell us once' approach and standardisation will aid transparency.
- Customers and stakeholders will actively participate in development of strategies that will identify a richer choice of strategic options for delivery.
- Our staff will be involved in business planning, with an increasingly complex facilitation role across departments, services and organisations.
- Our staff will be enabled to broaden their knowledge and develop their professional expertise by working across different services, and with a wider range of partners.
- We will support regional and national procurement activities, and provide commercial leadership and opportunities for partnerships with others in the public, private and the voluntary, community and faith sector.
- We will use our professional networks to facilitate partnerships with other organisations for the benefit of our customers and residents.
- We will act on behalf of our partners and they will trust us to do this.

Measuring our Performance

- £ savings delivered from procurement, contract and supplier management activities.
- Increase % of spend covered by procurement strategies.
- Obtain positive customer survey feedback on project delivery.



OBJECTIVE 3: CONTRACT AND SUPPLIER MANAGEMENT

Our aim

We will deliver efficiencies, savings and service quality improvements through a proactive and consistent approach to supplier and contract management. This approach will also maximise commercial opportunities, reduce risk throughout the supply chain and support the delivery of best practice contract and supplier management.

We maximise the use of a range of tools and techniques including e-procurement and supplier networks. The Accord e-contract management system (e-CMS) will become a key source of information on the performance of our suppliers.

Key actions

1. All procurement projects will be tracked and managed consistently in line with our procurement toolkit.
2. Project progress will be tracked through milestones throughout the lifecycle, and clear and consistent governance will be in place via Procurement Policy Review Group or other Project Boards, where appropriate.
3. Ensure Risk Management is a core element of our performance management approach and is linked to corporate risk management across the partnership.
4. We will increase our focus on lessons learned to capture and apply these to other projects, with embedded peer review for key projects.
5. We will embed an improved approach to supply chain risk and business continuity planning across all our strategic and critical suppliers
6. We will build a business case that makes recommendations for ongoing improvements in our approach to develop contract and supplier management, and implement this.
7. We will develop the Accord eCMS platform and implement improvements accordingly.

How our customers will notice a difference

- Data and intelligence will be used to inform the thinking and decision making which will lead to improved outcomes on projects.
- We will agree time, quality and budget parameters for projects with our customers, and ensure these are delivered and customers engaged and updated as projects progress.
- We will have a consistently high level of customer satisfaction with our delivery.
- Progress against our projects will be easily visible and transparent to all our customers.



- Everyone will be clear about what they are expected to deliver and personal objectives will be agreed to capture this.
- Our project pipeline will be maintained on Microsoft Planner and will be visible across colleagues in Finance, Legal and Business Operations.
- Stakeholders will know which our key projects are as a Service, and how they are progressing, including risk management.
- Projects and programmes will be managed consistently, with common documentation and governance.
- Stakeholders will be given clear and accurate information on project progress.
- Customers will be supported by specialised knowledge of SRM team and category specialists
- The Accord eCMS will offer clear visibility of contracts.
- Efficiencies, improvements and savings will be delivered through contract and supplier relationship management
- Contract spend will be transparent and reported through the Accord eCMS and Spend Analysis Dashboard
- Suppliers will benefit from open and structured relationships
- Clear roles and responsibilities for supplier and contract management.
- We will promote collaborative working relationships with key suppliers to maximise opportunities for both parties

Measuring our success

- Benefits identified at the beginning of the contract are delivered.
- Additional benefits achieved from SRM activities are documented by means of case studies and lessons learned reviews.
- Increase Contract Compliance management and the percentage of 'Assigned Spend'.
- Zero number of successful bidder challenges.



OBJECTIVE 4: SOCIAL VALUE

Our aim

We will deliver additional value for our residents through the way in which we spend money on goods, works and services. This will be done by considering economic, social and environmental well-being in relation to our procurement processes, stakeholder engagement and contract implementation across the supply chain as part of Corporate Social Responsibility (CSR).

We will ensure greater visibility and influence over our supply chains, and work with our suppliers to utilise and positively deliver local benefits from public and private sector partners. We will continue to create opportunities for Voluntary and Community Sector (VCS) organisations to become part of our supply chains.

Key actions

1. Focus on increasing spend with local suppliers, with an emphasis on developing local supply chains in sectors that will deliver the biggest impact on economic growth, including employment and skills opportunities, over a longer term.
2. Engage with our suppliers and markets to identify and secure apprenticeships and other work opportunities for residents, to proactively address skills shortages.
3. Use our influence within the region to increase local spend in all counties and secure apprenticeships and other work opportunities on a wider scale.
4. Engage with our suppliers to raise awareness of environmental and sustainability requirements which need to be factored into future contracts as appropriate.
5. To have consistent and aligned policies that use best practice and learning.
6. Implement mechanisms for identifying, monitoring and measuring Social Value, which allow us to be open and transparent about the benefits achieved and the cost of delivery.
7. Use CSR approach to ensure that we are meeting the actual need of our local communities.
8. Develop stronger links with other organisations (including business groups, LEP's, Schools and Colleges, VCS and community groups) to deliver Social Value for Procurement.

How our customers will notice a difference

- We work with customers and suppliers to put in place contracts that will deliver greater Social Value.
- They will see an increase in the level of early engagement by procurement.
- Social Value requirements and expectations will be easy to understand and respond to.



- They will play an important role in achieving our Social Value for Procurement, including active participation in workshops and events to raise the profile of CSR.
- They will see the benefits of Social Value being delivered through the sharing of success stories and best practice examples.
- A focus on wider value from procurement will encourage collaboration with our stakeholders, including VCS and Health.

Measuring our success

- Employment and skills development in the local economy - including number of apprenticeships and work placements secured via our supply base.
- Achieve a target percentage of spend through local Dorset suppliers.



OBJECTIVE 5: PARTNERSHIP WORKING

Our aim

We will aim to further enhance, develop and promote Partnership Working with NHS bodies locally between the Council, the NHS Dorset Clinical Commissioning Group, other Contracting Bodies, and others, such as the third sector.

This work at an operational level with NHS Dorset CCG, will support the sustainable transformation plan working towards one health and social care system.

Key actions

1. Develop strong working relationships to ensure maximum benefit for the people of Dorset including price management.
2. Develop jointly, where possible, procurement approaches to our joint supply market with the aim of increased market engagement and management in line with relevant legislative requirements.
3. To achieve a growth in jointly procured arrangements as relationships build and develop, whereby strong collaborative approaches are delivered.
4. Ongoing engagement with partners to share procurement plans in a timely manner to identify suitable opportunities for partnership approaches.

How our customers will notice a difference

- Increased partnership approaches to the relevant market segments with integrated commissioning intentions and clarify on price and quality expectations.
- Jointly produced service specifications and contracting approaches.
- Economies of scale achieved by joint procurement and contracting arrangements.
- Improved deployment of market capacity and sustainability of suppliers including payment of invoices.

Measuring our success

- Increased number of jointly procured contracting arrangements.
- Positive supplier feedback.



Section 5 Performance Indicators

Objective	Measure	Target 2018	Target 2019	Target 2020
People, Skills and Development	Personal Development Plans developed and completed annually	100%	100%	100%
	% absence rate			
	% annual staff turnover	15%	12%	10%
	% positive customer feedback on training offer / knowledge share	85%	90%	90%
Strategic Sourcing	£ cashable savings delivered			
	% spend covered by procurement strategies	80%	80%	80%
	% positive customer survey feedback on project delivery	85%	90%	90%
Contract and Supplier Management	Contract Compliance 'Assigned Spend'	75%	85%	95%
	Identified contract benefits delivered (% positive results from annual survey)	90%	90%	90%
	Number of bidder challenges	0	0	0
Social Value	% spend through local suppliers	>50%	>50%	>50%
	Number of apprenticeships and work placements secured via our supply chain			
Partnership Working	% of jointly procurement contract arrangements	>10%	>15%	>20%
	Positive supplier feedback	>100%	>100%	>100%