



**CLEVELAND
POLICE**
Putting People First

Cleveland Police

Procurement Strategy

2009 – 2012

Contents

1	Introduction.....	3
2	Background.....	4
3	Procurement Strategy.....	5
4	Reducing Bureaucracy	6
4.1	Business efficiency	6
4.1.1	Value for money	6
4.1.2	Systems.....	6
4.1.3	Contract Management	7
4.1.4	Supplier & Procurement Collaboration	7
4.1.5	Monitoring and Measurement.....	8
4.1.6	Communication.....	9
5	Managing Resources.....	10
5.1	Socially Responsible Procurement	10
5.1.1	Sustainability	10
5.1.2	Ethical Purchasing.....	10
5.2	Leadership.....	11
5.2.1	Customer focus	11
5.2.2	Supplier Focus.....	11
5.3	Development	12
5.3.1	Procurement Training	12
5.3.2	Economic Development.....	12
6	Operational Policing.....	13
6.1	Procurement Guidance.....	13
7	Risk Management.....	13
8	Summary	14
8.1	Strategic Objectives.....	14
9	Glossary of Terms	15
10	Overview Implementation Plan	17

This Procurement Strategy was developed by the Procurement Unit team members Claire Wrightson and Johnathan Whitley, supported by David Pratt of Redcap Associates Ltd, Procurement Transformation Consultancy.

June 2009

1 Introduction

The new Force Procurement Strategy is designed to provide the foundations for effective procurement transformation and deliver significant performance improvement in supply chain management. This will improve the Forces ability to contract with suppliers and deliver Value for Money.

In developing the Force Procurement Strategy for 2009-2012, it has been the intention to produce a document that can be referred to by users'. To this end the document is intended to be brief, and any technical terms are defined in the glossary at the end of the document.

This strategy adopts a series of aims and commitments that will provide a strong foundation for Procurement transformation. This simpler approach is designed to be easier to understand and more useful as a reference document for all service and operational units.

The Procurement Strategy applies to all procurement conducted by the Force and Authority.

Implementation of this Strategy will enable the following outcomes to be delivered:

- Implementation of "Best Practice" procurement techniques.
- Delivery of Value for Money
- Enhanced Procurement presence internally and across the supply chain.
- Influence of the supply chain in the procurement of works, goods and services.
- Development of a procurement plan to support operational policing.
- Implementation of Blue-Light e-sourcing systems that will delivery best in-class procurement processes.
- Incorporation of sustainability objectives in procurement plans.
- Compliance with the ACPO and NPIA Procurement Strategies
- A transformed Procurement operation.

This positive approach will provide Procurement with the ability to transform performance and become recognised as a leading centre of excellence internally and by its regional peers.

2 Background

In the financial year 2007/8, Cleveland Police spent over £ 50 million with third party organisations, excluding staff related costs.

Procurement expenditure focuses on the value spent with supplier organisations and this “in scope” expenditure amounts to £ 46 million. Of this £ 36 million (78%) is spent with suppliers that can be effectively influenced by professional procurement practices.

During this period the local economy was supported with an expenditure of £5.5 million with 130 companies within the Cleveland Police area.

The Flanagan Modernising Policing Review, published 2007, recognised Procurement as a strategic support function for effective operational policing. The review’s findings have formed a structural part of this strategy enabling the foundations for transformation to be put in place.

The Gershon Review (2003) focused on public sector procurement efficiency, developed for the former ODPM, the report identified a range of procurement objectives to enable cashable and efficiency gains to be made. The spirit of this report is encompassed in this Strategy.

In addition, due consideration was given to the procurement strategy issued by ACPO in May 2008. In accepting the ACPO principles and incorporating them in this strategy, a platform will be provided for the development of future collaborative relationships and opportunities that the Force and Authority may wish to undertake.

3 Procurement Strategy

The Procurement Strategy sets out the road map for change in procurement performance and is built on the Chief Constable's operational vision of 'Putting People First'.

In achieving the principle objectives of the Flanagan Review this strategy enables Procurement to perform and deliver the objectives of the Contract Standing Orders.

The procurement strategy supports and contributes to the delivery of Cleveland Police's Policing Plan objectives and will fall in to the following key work streams;

- Reducing Bureaucracy
 - Improved efficiency in all aspects of procurement, delivering cashable and non-cashable gains
 - Develop effective procurement systems
- Managing Resources
 - Development of opportunities for collaboration
 - Sustainable and ethical procurement
 - People Development
- Supporting Operational Policing
 - Procurement Guidance

It is accepted that in the implementation of this Strategy the Force will strive, at all times, to achieve value for money efficiently in the procurement of goods, services and works within an environment of transparency and fairness.

However, there is increasing recognition that the Force must achieve such value and efficiencies whilst taking into account its responsibilities for the environmental impact and local economic impact of any procurement decisions made.

4 Reducing Bureaucracy

Reducing Bureaucracy in procurement necessitates challenging attitudes of risk aversion and being prepared to adopt new lean procurement processes.

In adopting these new processes the Force recognises that it will adopt a problem solving attitude to any new challenges in the delivery of Procurement Transformation.

4.1 Business efficiency

4.1.1 Value for money

Aim: To improve procurement processes to enable the effective delivery of value for money.

The public sector is often criticised for 'only accepting the lowest price'. However, the ultimate aim is always to secure best value for money on behalf of the Force and its stakeholders.

The principles of VFM lie at the heart of the procurement process, including options for assessing whether service delivery should be provided internally or purchased from outside.

Commitment – Evaluation procedures adopted by the Force will be developed as standard tools to ensure that any offer accepted by the Force represents the value for money taking whole life costs into consideration.

It is therefore, not just the lowest priced offer that is accepted and this policy will be fully communicated to the wider business community.

4.1.2 Systems

Aim: To improve procurement systems and processes to enable the implementation of effective tools and technologies..

Cleveland Police will implement a process of replacing all paper based procurement systems with modern e-Procurement tools and where appropriate develop the use of procurement cards.

Commitment –

- Implement an e-sourcing and procurement system to prepare for a full electronic purchase to pay process.
- Implement procurement card and potentially smart pay processes to other areas of payment.
- Implement the Blue Light (National Police) system relating to e-tendering, contract management and supplier registration processes.
- Develop the Blue Light Marketplace potential to allow users greater access to pre-tendered contracts, as a significant number of the Force's existing suppliers currently have their catalogues available on the marketplace to enable direct ordering.

4.1.3 Contract Management

Aim: To develop contract management systems and processes, to enable the effective management of contracts and suppliers performance from inception through the life of the contract.

Effective contract management is essential in the delivery of value to service units the development of Blue Light contract management tools will provide a full contract management process to deliver best practice and class leading performance.

Commitment – To strengthen contract management procedures by adoption of effective systems and by holding regular meetings with all contractors to review performance and to improve partnership working.

4.1.4 Supplier & Procurement Collaboration

Aim: To develop collaborative relationships that will enable the Force to gain advantage through aggregation and technical innovation.

A major aspect of recent procurement reviews was that there should be improved collaboration between parties within the public sector, who share similar requirements, whether this is within the police sector, local government sector or in other areas of the public sector (such as National Government, NHS and other similar bodies). This approach is adopted in order to increase leverage, improve contract terms and conditions, through aggregation of demand or by reduced administration.

To ensure the diverse needs of the Force are met, will necessitate the development of a broad range of relationships, both internally with procurement's customers and externally with third party suppliers. The Procurement function will develop a range of relationships to reflect the strategic importance of procurement supporting operational policing.

Commitment – Where such arrangements represent a clear benefit to the Force and Authority, the Procurement function will seek to strengthen collaborative relationships with the NPIA, NE RIEP, NEPO, OGC and other centres of expertise in a bid to secure value for money. Contracts will be monitored to ensure that there is full contract compliance and any incidents of off-contract buying, which are brought to the attention of the Procurement function, will be investigated.

4.1.5 Monitoring and Measurement.

Aim: To develop procurement processes to enable the effective monitoring and measurement of procurement performance across the Force and suppliers.

In order to measure improved efficiencies and performance it is important that an agreed set of standard indicators are compiled and implemented across the force.

Commitment –

The procurement function will develop key model performance indicators, to support, measure and enable the on going performance of all procurement operations.

The set of standard indicators will reflect Force values and the recommendations of external bodies such as, HMIC, NPJA and the Audit Commission.

The key performance indicators will focus on, but not be restricted to, the following areas of CPA procurement operations:

People

- Cost of Resource
- Procurement Team Availability

Problem Solving (Performance)

- Cost Reduction
- Spend Management
- Transaction Management
- Supplier Management
- Contract Management
- Procurement Risk Register

Partnerships

- Sustainability Engagement
- Collaborative Arrangements

Professionalism

- Team Professional Development
- Stakeholder Satisfaction

4.1.6 Communication

Aim: To improve procurement communication, both internally and externally to deliver an effective and consistent procurement message.

It is recognised that, key to the implementation of any new systems or policy, there has to be an understanding amongst stakeholders of the reasoning behind such action.

Commitment –The Procurement function will communicate with and inform and advise its stakeholders by means of:

- Regular e-newsletters to users of the e-Procurement system.
- Regular procurement meetings with Service Units' user groups.
- Increased use of the Cleveland Police Buyer Profile website.
- Increased use of the Force's intranet.
- Increased use of the Procurement Section of the Force's website.
- Attendance at 'meet the buyer' and other events organised by the local Chamber of Commerce, the Federation of Small Businesses, to give increased access to local businesses '
- Revised publication of the 'How to do Business with CPA Guide' aimed at encouraging SMEs' to find it easy to do work with the Force
- Use of the Force internal media to publicise progress and availability of assistance

5 Managing Resources

The Force recognises that its activities have an impact on the economic, social and environmental aspects of the community in which it exists. Therefore it is required to take account of those factors in the procurement of goods, services and works and in the development of its people.

5.1 Socially Responsible Procurement

5.1.1 Sustainability

Aim: To develop a responsible approach to procurement that will support the social objectives of the Policing Plan.

The Procurement function is conscious that its decisions must take into account the social, economic and environmental impact that the procurement of goods, services and works has on people and communities, including taking into account what products are made of, where they have come from, who has made them, how they are transported and how they are eventually disposed of.

Consideration should even be given as to whether the purchase requires to be made at all.

Where appropriate the procurement activity will follow achievable guidelines regarding sustainable development, recognising the following:

- Economic development through SME engagement
- Effective protection of the environment
- Prudent use of natural resources
- Maintenance of high and stable levels of economic growth and development

Commitment – The Procurement function will demonstrate sound environmental management in the acquisition of goods and services so as to ensure that such acquisitions have the minimum impact on the environment.

Full details of the Procurement function's commitment to sustainability will be published in a Cleveland Police Sustainable Procurement Policy.

5.1.2 Ethical Purchasing

Aim: To manage procurement relationships in a positive professional manner that raises the image of procurement with the supplier community.

The Procurement function will support the aims and objectives of *Fairtrade* and is committed to supporting that objective by promoting *Fairtrade* products and increasing awareness amongst users.

However, ethical purchasing is a much wider subject than simply using *Fairtrade* products. In its truest sense, it means, without harm to, or exploitation of humans, animals or the environment.

Procurement, whether it is in house, external or through partnerships will be operated in a professional manner to ensure the highest standards of openness and exclusivity, transparency, probity, integrity and accountability.

Procurement decisions will be fair, legal and consistent. Major procurement will be on a project basis, to include thorough risk management and assured quality.

Ethical purchasing must also take into consideration the requirements of Force policy and legislation in the promotion of equal opportunity according to need, and diversity.

Suppliers to the Force will be expected to share their ethical sourcing and diversity policies and to maintain standards throughout their supply chain that promote appropriate standards regarding legal, ethical and social issues including, for example, health and safety, security of employment rights, equality, transparency and fair trade.

Commitment – The Procurement function will take into account ethical considerations in the procurement of goods and services on behalf of the Force.

5.2 Leadership

5.2.1 Customer focus

Aim: To provide positive and professional procurement leadership to Service Units by developing a knowledge base for key category management.

To ensure that the service units receive maximum support and advice the procurement function has established a series of categories that reflect the spend of the Force. An individual Category Leader will manage the procurement of every contract of a specific category. These categories will allow for a greater understanding between the service units and procurement function which in turn will deliver a superior level of communication and support needed to achieve the Force's targets.

Commitment – The Procurement function will manage categories effectively and ensure that the service units receive effective support and advice in developing their requirement plan.

5.2.2 Supplier Focus

Aim: To provide positive and professional procurement and contract management to suppliers to assist them where appropriate to conduct business with the Force.

It is recognised that there is a popular misconception amongst companies, particularly small companies that public sector is complex and potentially difficult to deal with. Procurement will provide a equal opportunity for all capable suppliers to engage with the Force

Commitment –The Procurement function will, at all times, adopt a professional approach in all its business undertakings both with suppliers and service units. Where decisions are taken, every attempt will be made, within the limits of existing legislation, to provide as full an explanation as possible of the reasoning behind the decision making process.

5.3 Development

5.3.1 Procurement Training

Aim: To enable an effective development programme to enhance the skill set of procurement practitioners and stakeholders to increase resource, knowledge and capacity. Providing qualified practitioners' with a continuous professional development route to support membership of CIPS.

It is recognised that ongoing training and development is essential to an efficient procurement process and that this is a key element in the transformation of procurement performance. The concept of continual training is a key initiative in the Flanagan Review to enable the delivery of better performance and efficiency.

Commitment –The Head of Commissioning will ensure that staff within the Procurement function has access to appropriate opportunities for personal training and development. In addition, the Procurement function will continue to deliver in-house training for those members of staff engaged in the Force's supply chain, in order to develop an awareness of their responsibilities and to encourage ownership of the procurement process.

Previously in this document, it is noted that the volume of business transacted with local companies amounts to 15% of the influencable expenditure. Whilst within the tendering process, it is not possible to provide any advantage based on geographical considerations, efforts will be made to encourage first tier suppliers to subcontract locally.

The Procurement unit will engage with the local business community to ensure that they are at least aware of tendering opportunities and that they have an understanding of how the tendering process works.

Commitment – The Force will commit to the National Concordat for Small and Medium-sized Enterprises which is part of the National Procurement Strategy. The Procurement function will engage with the local business community and organisations such as the Federation of Small Businesses and the Chamber of Commerce.

6 Operational Policing

6.1 Procurement Guidance

Aim: To support Service and Command Units procurement activity through effective guidance, systems and training.

It is recognised that an important aspect of the role of the Procurement function is to provide guidance and advice to both Service units and to all stakeholders.

Commitment –The Procurement function will continue to develop a toolkit of informative guidance as follows:

- The updating of the Purchasing Procedures Manual.
- The distribution of the Tender Evaluation Procedures Guidance Notes.
- The development of a purchasing guide for those involved in the daily ordering of goods, materials and services.

7 Risk Management

Risk management is an integral part of procurement, as every element of the procurement process is susceptible to risk.

The risk associated with procurement decisions will be identified, assessed and managed accordingly by the officer involved, early in the procurement process.

All decisions will be taken only after having due regard to the risks which have been identified, assessed and evaluated.

To mitigate the risks the procurement unit will, from the start of the process, utilise the Blue Light e-sourcing and tendering systems to regulate in a timely fashion the complete processes. During this process the stakeholders will have access to the procurement, via the same Blue-Light systems for monitoring and communication purposes.

The Procurement Unit's management monitoring and review structures will closely monitor tenders and contracts.

8 Summary

In meeting its current aims and objectives, the Procurement function will deliver a firm foundation on which to build and through which, the Force and Authority can meet its obligations towards the recommendations contained within the Flanagan review, ACPO Procurement Strategy and best practice guidelines.

The 2009 – 2012 Procurement Strategy is an opportunity to build upon that foundation and in doing so to meet the challenges anticipated as a result of the continued expansion of the e-Agenda and Shared Services/Collaboration.

8.1 Strategic Objectives

The Cleveland Police strategic objectives for Procurement are:

- Procurement must contribute to the realisation of the Cleveland Police's Policing Plan and support the achievement of Force's Priorities, Long Term Financial Strategy and ongoing efficiency agenda.
- Value for money must be obtained from the Force's procurement spend thereby achieving efficiency, effectiveness and value.
- All procurement projects must be professionally managed so that they are successful and the intended benefits are realised
- Partnering will be examined as one of the preferred procurement strategy (ies) for all major projects, to gain mutual advantage through longer term relationships and continuous improvement
- There must be a successful transition to e-commerce as part of Cleveland's e-procurement strategy
- Consideration to be given to the impact on the economic well-being of the local area of procurement decisions
- The maximisation of the purchasing power of the Force and Authority
- To reducing the overall cost of purchasing across the Force and Authority

The 2009 – 2012 procurement strategy is an opportunity to build upon strong foundations and in doing so to meet and deliver a best in class procurement function.










9 Glossary of Terms

- **ACPO** ~ Association of Chief Police Officers
- **Buying Solutions** ~ the commercial section of the Office of Government Commerce, who provide a range of pre tendered contracts for the public sector to enhance the delivery of value for money.
- **Category Leader** ~ a member of the procurement unit with responsibility for the strategic direction of procurement for a specified category of works, goods or services.
- **CIPS** ~ Charter Institute of Purchasing & Supply, the professional purchasing body that represents the function internationally.
- **HMIC** ~ Her Majesties Inspector of Constabularies
- **Life cycle** *'is defined as being from the initial definition of the business need through to the end of the useful life of the asset or service contract'*.
- **NEPO** ~ North East Purchasing Organisation, a public sector purchasing consortium focusing on the delivery of value for money to the local government and the emergency services in the North East region.
- **NPIA** ~ National Police Improvement Agency
- **OGC Buying Solutions** ~ the commercial section of the Office of Government Commerce, re named Buying Solutions from April 2009. Buying Solutions provide a range of pre tendered contracts for the public sector to enhance the delivery of value for money.
- **Procurement** *'the process of obtaining goods, services and works - spanning the life cycle of the asset or service contract'*
- **Government Procurement Card** ~ a charge card used across the public sector by authorised cardholders to make direct purchases from suppliers. The cardholder can only make purchases within their personal usage expenditure limit and within the terms of a supply contract. This approach simplifies the procurement process for low value low risk items.

- **Procurement Unit** ~ The lead procurement team located at HQ who “own” the procurement process, provide advice and guidance to Service Units and who deal with strategic procurement, high value/high risk and EU requirements, and represent the Authority at Regional and National Procurement levels.
- **Service Unit** ~ a business and / or operational area of the organisation that have delegated budget and / or delegated procurement authority who deal with local requirements.
- **Smart pay** ~ an on-line payment process that operates similarly to procurement cards that can be used for ad hoc purchases or where a supplier is not procurement card enabled. It provides the force with effective e-ordering capability and provides suppliers with payment within 4 to 5 days with consolidated monthly payment by the Force.
- **SME’s** ~ Small to Medium sized Enterprises generally described as businesses with less than 250 employees.
- **The Authority** ~ refers to the full Cleveland Police Authority
- **Value for money** ~ considers the total cost of the works, goods or service that meets the specification considering Quality, Cost, Logistics, Sustainability, Development and Management of the requirement. This signifies that the lowest purchase price will not always deliver value for money.

10 Overview Implementation Plan

The following table indicates the outline implementation plan for the 2009-12 Procurement Strategy. The full Procurement Transformation Project Plan is retained by the Procurement Manager and should be referred to for current information and detail.

	Strategic Action  Focused Change  On going Focus	2009-10				2010-11	2011-12	
		Q1	Q2	Q3	Q4			
4.1.1	Value for Money Delivery							
4.1.2	Systems Development							
4.1.3	Contract Management							
4.1.4	Collaboration							
4.1.5	Monitoring and Measurement							
4.1.6	Communication							
5.1.1	Sustainability							
5.1.2	Ethical Purchasing							
5.2.1	Customer Focus							
5.2.2	Supplier Focus							
5.3.1	Procurement Training							
5.3.2	Economic Development							
6.1	Procurement Guidance							

Issue: Procurement Strategy