

Strategic Procurement and Supplier Relations Service.

Background Information for Audit Committee

RESOURCE DIRECTORATE - FINANCE

Strategic Procurement and Supplier Relations Service



Context from Nov 2019

Reviewed previous commercial governance - new Procurement Rules from Jan 2020

Aligned Procurement Service / Contracts and Supplier Relations Management Service (CSRM) - Temporary lines of reporting ahead of restructure / HR related matters

Formalised aligned structures of new service – with July 2020 go live.

Tendered for a supporting Strategic Partner – appointment of V4 Services from 8 June 2020

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Underpinning principles – areas of focus

- **Improved commercial acumen** being more commercially focused in procurement and strategic contract management
- **Improved compliance & risk management** around procurement process
- **Improved knowledge skills and experience** within the procurement service and across services supported
- Increased **opportunities** around **career development**
- **Maximised value and reduction of risks** through fit for purpose contract monitoring and management arrangements
- **Improve the Council's overall profile** to the market place / suppliers in regards to attractiveness of procurement opportunities including social value
- To increase **opportunities for further joined up / shared arrangements** through aligning categories and spend

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Underpinning principles – areas of focus

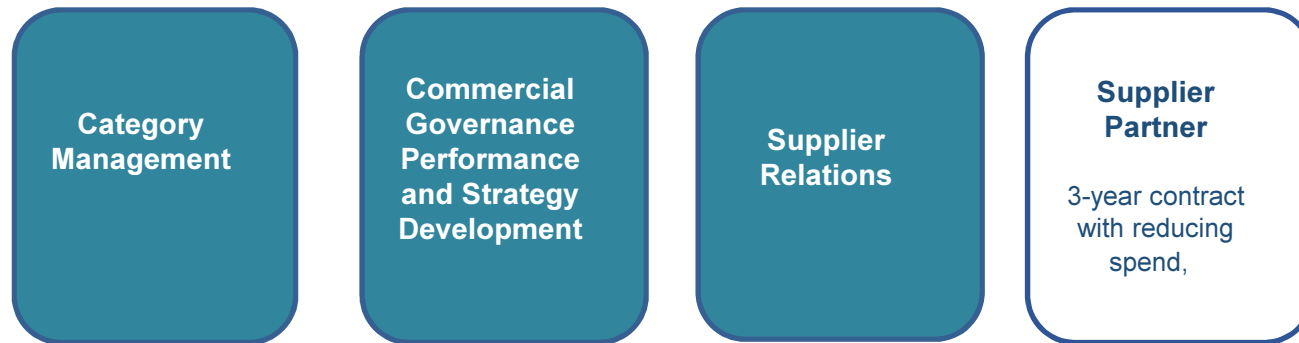
- Increased likelihood of **attracting & retaining staff**,
- **Builds resilience** within procurement and contract management capabilities
- Driving **value for money** across the Council
- Using **procurement as an enabler** e.g. linked to wider strategic objectives
- **Improved efficiency** in how procurement & commercial activity is carried out
- **Streamlined related policies / processes** to aid internal arrangement & we engage with suppliers
- **Increased productivity** in how procurement activity is undertaken

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Future shape...



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Proposed activity

The new Service is built around three component parts:

Category Management	<p>Responsible for the delivery of category management across the Council in one of three broad areas of spend:</p> <ul style="list-style-type: none">• Care, Support and Independence (primarily within People Directorate);• Infrastructure, Buildings, Structure and Environment (primarily within Growth and Regeneration);• Supplies and Services (primarily within Resources). <p>This part of the service will be responsible for leading on the following:</p> <ol style="list-style-type: none">i. Delivering a high-quality procurement and related commercial contract advice and support which is compliant with all relevant legislation, Council policies and supports the delivery of objectives.ii. Driving forward joined up and aligned procurement practice, commercial change and improvement throughout the Council to achieve outcomes and better value for money, in line with the Council's commercial assurance framework e.g. Procurement Rules / Financial Regulations.iii. Delivering the related Category Plan in a manner that supports and compliments wider objectives of the Council's. <p>Bringing in-depth market intelligence to influence annual spend across categories to optimise competitive tension, leverage supplier relationships and deliver a complex portfolio of tendering and commercial activity.</p>
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Proposed activity

Supplier Relations

Responsible for leading and delivery of strategic supplier relations and strategic contract management for the Council in line with the overall commercial assurance framework.

This part of the service will be responsible for leading on and ensuring that significant / complex / high risk / contractual and supply chain arrangements are appropriately contract managed.

This part of the service will be responsible for leading on the following:

- i. Maintaining corporate oversight of related significant / complex / high risk contracts and supply chain matters.
- ii. Ensuring such contracts and supply relationships are managed to the appropriate level in order to ensure the commercial obligations are delivered, benefits derived, and risks and liabilities minimised.
- iii. Provide a strategic hub for the delivery of contract management advice and support in line with escalations and contract prioritisation as set out in the commercial assurance framework.
- iv. Ensuring effective, timely and proportional commercial management information is in place to measure and monitor the impacts of procurement and commercial activity.
- v. Bringing innovation and best practice within commercial arrangements that is informed by effective collaboration and networking.

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Proposed activity

Commercial Governance Performance and Strategy Development

Responsible for delivery of the commercial assurance framework for the Council that sets and directs overall assurance in how the Council undertakes operational procurements as well as manages resulting contracts.

Responsibilities would include but not limited to the development of associated strategies, policies, processes and procedures e.g. Procurement / Commercial Strategy, Procurement Rules and Procedural Notes, Social Value Policy, etc. along with the commercial governance systems such as electronic Tendering System / Contract Management System.

This part of the Service will be key in leading on the following:

- i. Ensuring the Council's procurement arrangements are effective, deliver value for money and maximise the contribution that they make in supporting the achievement of the Council's vision and priorities.
- ii. Maintaining a fit for purpose and proportional commercial assurance framework.
- iii. Ensuring supporting systems, strategies, policies and procedures enable and support positive procurement and commercial outcomes in line with relevant regulations.
- iv. Ensuring effective, timely and proportional performance management framework is in place to measure and monitor the impacts of procurement and commercial activity.
- v. Bringing innovation and best practice that is informed by effective collaboration and networking within procurement and commercial settings.

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Strategic Partner

Appointment of V4 Services (8 June 2020)

- 3 year contract
- Consumption model – with aims to return on investment
- Work alongside SP&SR Service, adding flexibility, capacity and supporting the transformation, including upskilling internal service
- Early milestones – Contract Review and establishing Contract Management Framework (to include contract management system)
- Enables transition away from interim resource to costed business model based on clear business case

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