

# Procurement Transformation Programme

Version 0.6, July 2015

## Programme Organisation

It is proposed that the transformation programme is headed by a Procurement Transformation Board which will be responsible for overall delivery of the programme and ensuring inter-dependencies between projects are recognised and addressed. Below the Programme Board will sit five distinct projects, each entered individually onto the VERTO project management system. To inform both project delivery and the overall programme, a number of task and finish groups will be established. These groups will be multi-disciplinary – and in some cases multi-agency – who will look at specific elements of the transformation programme. This organisation structure is illustrated in the diagram attached at the end of this paper.

## PROGRAMME LEVEL

### Procurement Transformation Board

It is proposed that the transformation programme is directed by a high level transformation board. The main role of the board is to monitor and direct the delivery of the transformation programme, providing a strategic overview to:

- ensure the constituent projects of the programme are being delivered on time, budget and to an acceptable quality threshold;
- have a clear sight of the benefits that the programme should deliver and continually monitor and evaluate whether or not the constituent projects and associated activities will deliver those benefits;
- help ensure that resources – time and money – are used effectively and in a way that optimises the delivery of benefits;
- Provide clear direction on policy issues relating to procurement (e.g. Fair Trade, Living Wage, etc.);
- be advocates of the transformation to ensure that the change message is delivered effectively and that the required culture change is embedded with both officers and members; and
- more generally ensure that communication with key stakeholders (including national bodies and other public sector organisations) is taking place.

## Membership of the Board

Proposed membership is based on specific posts or representation as outlined in the table below:

Organisation & Post	Specific Board Role
<b>Head of Finance, Assets &amp; Housing</b> Jamie Groves	Programme Executive – with overall accountability for the delivery of the programme and its benefits. Also Head of Service with significant responsibilities for procuring major works contracts.
<b>Head of Highways &amp; Environmental Services</b> Steve Parker	Head of Service with significant responsibilities for procuring major works contracts and thus can provide insight into appropriateness and deliverability of any changes to the procurement process. Also Project Executive for “use of Technology” and “Upskilling the workforce” projects, and thus can report to the board on progress and issues with these projects.
<b>Head of Community Support Services</b> Phil Gilroy	Head of Service with significant responsibilities for procuring major social care contracts and thus can provide insight into appropriateness and deliverability of any changes to the procurement process.
<b>FSB Representative</b> Mike Learmond	Key board role will be to ensure that the views and requirements of the local business community are considered and taken into account in the development of the procurement strategy and the wider transformation programme.
<b>Lead Member for Finance &amp; Efficiency</b> Cllr Julian Thompson-Hill	Lead member for the service in which the joint collaborative procurement service sits, but also with key responsibilities in relation to budget and financial matters. Key board role will be to chair the board meetings and to ensure that any costs associated with the procurement transformation are properly assessed and monitored, and that the programme delivers financial efficiencies.
<b>Lead Member for Economic Development</b> Cllr Hugh Evans	Key board role will be to ensure that the transformation programme establishes the right structures, processes and support mechanisms to enable local businesses to tender for council contracts, and to ensure that any policies and procedures associated with community benefits help develop the skills base within the county and provide opportunities to develop local supply chains.
<b>Lead Member for Modernising &amp; Performance</b> Cllr Barbara Smith	Key board role in ensuring the transformation is consistent with the council’s wider modernisation programme and is consistent with current good practice.
<b>Chair of Performance Scrutiny</b> Cllr David Simmons	Performance Scrutiny meets to scrutinise the performance of the council, particularly in relation to budget, financial matters and corporate policies. Key board role (along with the Lead Member for Finance & Efficiency) will be to ensure that the programme delivers financial efficiencies, but also to ensure that there are clear and unambiguous policies agreed in relation to procurement and embedded in the Procurement Strategy.

<p><b>Chair of Corporate Governance Committee</b> Cllr Jason McLellan</p>	<p>Corporate Governance Committee is responsible for ensuring that the Council’s systems of governance are robust. Recently a number of issues regarding procurement processes have been highlighted as issues as a result of audit inspections, and have subsequently been considered by Corporate Governance Committee. Key board role will be to ensure that the development of the strategy and other related projects of the procurement transformation programme address previously identified shortcomings in systems and governance.</p>
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This Board will be supported by Advisors without any voting or decision-making powers. The primary role of these support members is to advise the Board. Individuals may be invited onto the Board in this support role as required or requested. It is envisaged that regular attendees would be:

- Strategic Procurement Manager
- Programme Manager – Procurement
- Project Managers for constituent projects (Use of Technology, Strategy Document, Organisational Structure & Upskilling the Workforce) as and when required.

## PROJECT LEVEL

It is proposed that the programme is organised into four clear and distinct – but inter-related – projects as detailed below. Each project will be individually entered onto Verto, and each should have a nominated Project Manager who will be responsible for managing the delivery of the project and providing any update reports required.

### PROJECT 1: Strategy Document

**Project Executive:** Jamie Groves

**Project Manager:** Tom Booty

Key objectives of this project will be to:

- understand the current procurement legislation and policy guidance (particularly Directive 2014/24/EU and the Wales Procurement Policy Statement), and subsequently develop our own local policies that fit within this framework – particularly in relation to local suppliers and community benefits;
- develop a performance management framework with key performance indicators and associated baselines to ensure that the impact of any changes to processes, and of procurement activity generally, can be effectively measured;
- produce a Procurement Strategy document and have it adopted; and
- update the existing Contract Procedure Rules (CPR’s) to ensure consistency with the legislative environment and the Procurement Strategy

## **PROJECT 2: Use of Technology**

**Project Executive:** Steve Parker

**Project Manager:** Tom Booty

Key objectives of this project will be to:

- ensure that the eProcurement system is in place and operational by the required legal date in 2018;
- ensure that adequate training and support for relevant council officers has been provided and that this training has resulted in a system that is adopted consistently across the council and that officers using the system are getting it right first time;
- ensure that adequate awareness, training and support has been provided to the council's existing suppliers and potential suppliers, and that this has resulted in no reduction in the number of local suppliers servicing the council; and
- ensure that the information provided on the council's website is up to date, relevant, and enables suppliers to understand what is required of them when tendering for council contracts, and when such contracts are due for renewal.

## **PROJECT 3: Local Supplier Development**

**Project Executive:** TBC

**Project Manager:** TBC

Key objectives of this project will be to:

- to identify and deliver mechanisms that will help local businesses bid and win business from council contracts and other public sector organisations;
- to identify and secure any additional resources that may be required in order to deliver the required support to local businesses;
- produce a range of guidance documents and other support mechanisms to assist businesses in bidding for public sector contracts, and ensure these are easily available on the internet or other appropriate place; and
- work with partners (such as Business Wales) to ensure that there is an ongoing training programme and support mechanism for local businesses to ensure that they continue to have opportunities to bid for council and other public sector contracts.

## **PROJECT 4: Upskilling the Workforce**

**Project Executive:** Steve Parker

**Project Manager:** Tom Booty

Key objectives of this project will be to:

- identify all council staff currently involved in procurement activity, analyse roles and responsibilities of those involved, and come up with a revised list (preferably shorter) of those council staff who should be involved in procurement activity going forward;

- develop a competency framework to assess the current competencies and skills gaps of those involved in procurement (both corporately and within services), and subsequently develop and deliver a training programme that addresses identified needs; and
- produce a range of guidance documents and other support mechanisms to assist people involved in the procurement process and ensure these are easily available on either the intranet or internet or other appropriate place.

## **PROJECT 5: Organisational Structure**

***This project will not commence until 2016***

**Project Executive:** Jamie Groves

**Project Manager:** TBC

Key objectives of this project will be to:

- develop a greater understanding of the category management approach, and agree the categories that will be used (being mindful of how other public sector organisations in Wales are categorising to aid future collaboration and/or reorganisation); and
- improve the performance and service provided by the joint procurement collaboration team for the same or less cost.

## **TASK & FINISH GROUPS**

To support the development of the overall programme and constituent projects in an inclusive and collaborative manner, it is proposed to establish a series of Task & Finish Groups looking at specific elements of the overall transformation programme. Some of these will be specific to an individual project, whilst others will be relevant to a number of projects. The following key principles will apply to these Task & Finish Groups:

- each Task & Finish Group will have a very clear and measurable output that they will be expected to deliver;
- no group should meet more than 6 times;
- work by group members needs to happen outside the meeting itself to ensure the outputs are delivered
- each group will have a nominated leader who will be responsible for arranging the meetings and reporting on the work of the group

The following tables detail the expected outputs from the Task and Finish groups.

## eProcurement System

<b>OUTPUTS:</b>	<p>Develop and agree the templates that are required for the eProcurement system</p> <p>Develop the content and agree a programme of training sessions for officers who will require training in the eProcurement system</p> <p>Ensure that a corporate Contracts Register is in place and published on the council's website</p> <p>Ensure that the system also establishes a mechanism for identifying and recording <u>all</u> contract tender exemptions, so that this information is available in one centralised, easily accessible location (<i>refer to Audit Review of Corporate Procurement – May 2015</i>)</p> <p>Ensure that improved control and recording of purchasing through cards, petty cash and travel claims is considered and a mechanism for improving control and recording (preferably through Proactis) is developed and implemented (<i>refer to Audit Review of Corporate Procurement – May 2015</i>)</p>
<b>MEMBERS:</b>	<p>Tom Booty – DCC Programme Manager – Procurement</p> <p>Arwel Staples – DCC/FCC Strategic Procurement Manager</p> <p>Stuart Andrews – DCC/FCC Senior Procurement Officer</p> <p>Lisa Price – DCC/FCC Procurement Officer</p> <p>Roy Kewley – DCC ICT Business Partner</p> <p>Rhys Lloyd Jones – DCC Senior Management Accountant (TBC)</p>

## Revised Contract Procedure Rules

<b>OUTPUTS:</b>	<p>Revise the current Contract Procedure Rules (CPR) to take account of recent changes to legislation, the revised Wales Policy Procurement Framework, and any policy decisions made in relation to the development of Denbighshire's revised Procurement Strategy</p> <p>Consider looking at a two phase approach:</p> <ul style="list-style-type: none"> <li>• Phase 1 – minor revision to ensure CPR's are legally compliant following European Directive in Feb 2015. This approach should not require any committee approval; and</li> <li>• Phase 2 – more comprehensive revision to take account of Wales Procurement Policy Statement (Jun 2015) and generally make the CPR's as straightforward and easy to read as possible.</li> </ul> <p>A key objective of phase 2 should be to try and ensure that Denbighshire and Flintshire share the same CPR's</p>
<b>MEMBERS:</b>	<p>Tom Booty – DCC Programme Manager – Procurement</p> <p>Arwel Staples – DCC/FCC Strategic Procurement Manager</p> <p>Rachel Sanders – DCC/FCC Procurement Officer</p> <p>Louise Davies – DCC Contracts Manager</p> <p>Lisa Jones – DCC Solicitor</p> <p>Louise Pedreski – FCC Legal</p>

## Local Supplier Development

<b>OUTPUTS:</b>	<p>Clear policy statement in relation to how we intend to engage with and support local suppliers</p> <p>Review and agree any eProcurement templates for suppliers to ensure they are fit for purpose and easy to use for local businesses</p> <p>Develop a communication strategy for engaging with existing and potential suppliers about the eProcurement system</p> <p>Develop the content and agree a programme of training sessions for local businesses about eProcurement</p> <p>Develop and produce guidance documents (and other appropriate mechanisms) to assist local businesses understand what the legal requirements are/will be in relation to electronic tendering and including a “how to” guide</p>
<b>MEMBERS:</b>	<p>Tom Booty – DCC Programme Manager – Procurement</p> <p>Arwel Staples – DCC/FCC Strategic Procurement Manager</p> <p>Stuart Andrews – DCC/FCC Senior Procurement Officer</p> <p>Kirsty Hutton Davies – DCC Business Liaison Officer</p> <p>Mike Learmond – Federation of Small Businesses</p> <p>Carys Griffiths – Business Wales Tendering Manager</p>

## Community Benefits

<b>OUTPUTS:</b>	<p>Clear policy statement on Community Benefits, including clarity on what the priorities for Denbighshire should be (e.g. targeting economically inactive, supporting social enterprise, etc)</p> <p>develop a matrix to illustrate what the expectations are against different spend thresholds and or procurement categories and how these need to be written into contract documentation</p> <p>provide guidelines on how community benefits will be measured and monitored, and what procedures need to be followed if community benefits are not being achieved as expected (or as contracted in the contract documentation)</p> <p>Develop and produce guidance documents (and other appropriate mechanisms) to assist council officers and local businesses understand what is meant by the term community benefits and how the council expects them to be delivered through the procurement process</p>
<b>MEMBERS:</b>	<p>Tom Booty – DCC Programme Manager – Procurement</p> <p>Arwel Staples – DCC/FCC Strategic Procurement Manager</p> <p>Tania Silva – DCC Framework Manager (TBC)</p> <p>Tony Ward – DCC Principal Manager – Business Support (TBC)</p>

## Performance Management

<b>OUTPUTS:</b>	<p>Agreed set of clear and quantifiable performance indicators for procurement (including those that will be required from Welsh Government, but also others that will be locally relevant)</p> <p>Analysis report detailing performance against those indicators for the last 3 years</p> <p>Establishment of baselines for the performance indicators and setting clear targets for improvement, and ensure these transfer across to Service Business Plan</p> <p><i>NOTE: Performance Indicators should include some measures of current spend (possibly looking at the agreed categories), and should establish clear savings targets</i></p>
<b>MEMBERS:</b>	<p>Tom Booty – DCC Programme Manager – Procurement</p> <p>Arwel Staples – DCC/FCC Strategic Procurement Manager</p> <p>Mike White – DCC/FCC Senior Procurement Officer</p> <p>Iolo McGregor – DCC Strategic Planning &amp; Performance Officer</p> <p>Rhys Lloyd Jones – DCC Senior Management Accountant (TBC)</p>

## Training & Guidance

<b>OUTPUTS:</b>	<p>Identify which staff across the organisation are currently involved in procurement activity</p> <p>Develop a competency framework (with reference to Wales Procurement Policy Statement) and provide a report assessing those staff involved in procurement activity against the competency framework.</p> <p>Based on analysis of the staff involved and the competency framework, along with awareness of other elements such as eProcurement, provide a revised list of names/roles who should continue to be involved in the procurement process (<i>the assumption is this will be a reduced number of people</i>)</p> <p>Develop and undertake a survey of middle managers to assess their awareness and understanding of the procurement process (<i>this should provide measurable performance measures which can be used year on year to assess whether staff knowledge and understanding of procurement is improving</i>)</p> <p>Develop the content, agree and effectively communicate a programme of training sessions for those officers who will retain an ongoing responsibility for procurement activity, ensuring that the training is targeted so that officers get the training they require based on the competency framework</p> <p>Develop and produce guidance documents (and other appropriate mechanisms) to assist officers undertaking procurement activity and ensure they are available in a clear and accessible manner on the staff intranet</p>
<b>MEMBERS:</b>	<p>Tom Booty – DCC Programme Manager – Procurement</p> <p>Stuart Andrews – DCC/FCC Senior Procurement Officer</p> <p>Helen Sutton – DCC/FCC Senior Procurement Manager</p> <p>John Rees – DCC Learning &amp; Development Specialist (TBC)</p>



## Contract Management

<b>OUTPUTS:</b>	Review current contract management arrangements and identify necessary improvements to create a more rigorous and robust contract management culture within the council, with particular consideration of: <ul style="list-style-type: none"><li>• Ensuring that sensible structures are in place and sufficient resources available to deliver robust contract management;</li><li>• Developing strong internal and external relationships that facilitate delivery;</li><li>• Ensuring that payments are made to the supplier in line with the contract;</li><li>• There are effective mechanisms in place to handle change within a contract;</li></ul>
<b>MEMBERS:</b>	TBC