



# **Procurement Strategy 2010 - 2015**

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### ***Revision History***

<b>Revision date</b>	<b>Previous revision date</b>	<b>Summary of Changes</b>	<b>Changes marked</b>
31/08/2010		Conversion from Draft to Version 1 additional of revised savings targets	

### ***Approvals***

This document requires the following approvals.

<b>Name</b>	<b>Signature</b>	<b>Title</b>	<b>Issue date</b>	<b>Version</b>
C Southin		Head of Financial Accounting		

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Procurement Website			
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## Background and purpose

The purpose of this strategy is to communicate:

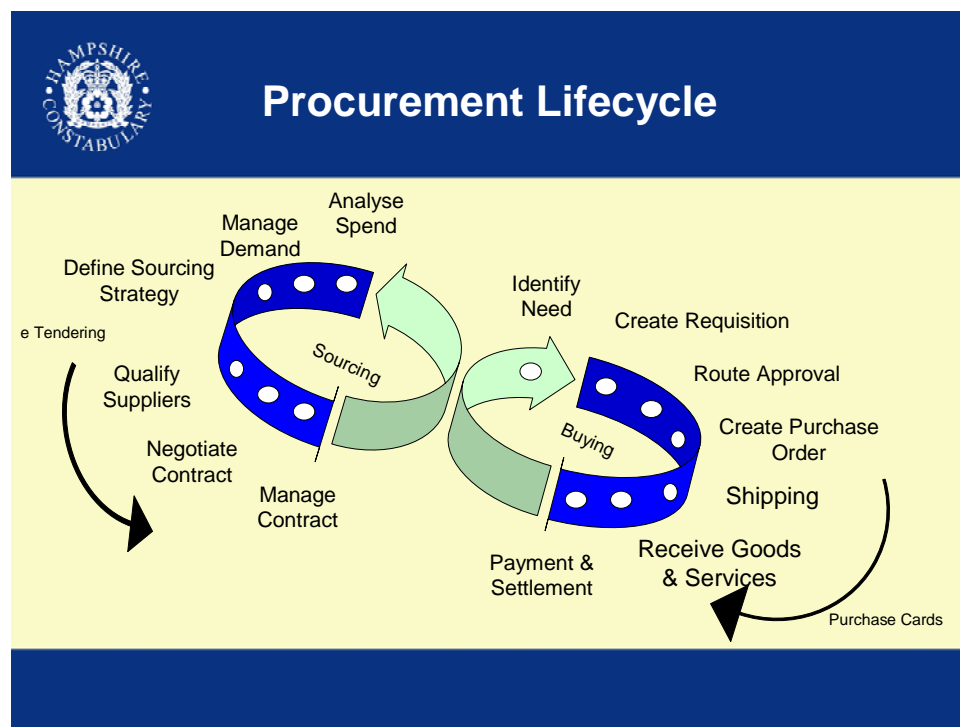
- how the procurement department's activities will play an integral part in the support and delivery of the forces policing priorities as set out in the policing plan
- the departments vision, timeframe and objectives for success
- the department's commercial approach to the use of third party suppliers
- how the commercial activities encompassing contract management, SME development, collaboration and revenue generating activity will drive innovation, sustainability, value for money and quality in the delivery of the force's strategic objectives
- how policy and operational objectives will drive procurement and how procurement issues are integrated at an early stage into defining outcomes
- the relationship between the central procurement team and the wider organisational procurement activities
- how the department will foster relationships to drive collaboration with NPIA, other forces and the wider public sector arena
- roles and responsibilities of the procurement team

## Vision

The department will act as a centre of expertise and guidance for the procurement requirements of Hampshire Constabulary. It will deliver value for money, innovation, and sustainability in the identification, sourcing and management of external resources and assets.

## Operating Environment

The diagram below outlines the Procurement Lifecycle.



## External Environment

The Home Office White Paper published December 2009 identified a “Require all forces and Police Authorities to procure prescribed goods and services from national procurement frameworks” in the following areas:

National Approach Contract	Date by
National procurement framework for Police vehicles including a standard beat car	2010/11
National procurement framework for body armour for all forces	2010/11
Mobile phones and blackberrys	April 2011
Digital evidence	April 2011
Consultancy	April 2011
Translators and interpreters	April 2011
Olympics requirements	April 2011
A single national uniform for police officers and a distinct single national uniform for PCSO's	2012
Refresh or replace national framework for forensics	April 2012
Secured continuing capability to provide the Police Service in England, Scotland and Wales with radio communication equipment and services	April 2012
Secure continuing capability to provide the Police Service in England, Scotland and Wales with a fingerprint identification system, with the capability to search palm prints and marks	April 2013
Secure continuing capability for on-line scanning and searching of fingerprints	April 2013

Construction, building maintenance and services– the requirement in this case will be for collaboration within each region and in Wales	April 2013
Further refresh or replacement for forensics. Substantial elements of ICT within ISIS programme	April 2014

The procurement department will ensure that the Constabulary complies with requirements in these areas.

The White Paper also identified a requirement for forces to contribute to "...a programme of work that will help the Service deliver savings of at least £545m per annum by 2014, with savings of at least £100m from 2010/11."

Specific targets for savings for each force have yet to be allocated, and this strategy will need to be reviewed to identify how these will be met.

The ACPO National Procurement Strategy to 2011 identifies the following 6 key principals:

- further police procurement capacity and capability
- increasing securing further supplier competition and price leverage
- shaping requirements and specifications: influencing of end-user requirements and design specifications
- developing techniques and practices to reduce costs and risks
- reducing procurement overheads and the costs of acquisition
- promoting sustainability and supporting diversity in procurement

Hampshire Constabulary's procurement department's strategy will ensure that these principals are consistently drawn out in its work plan and procurement processes.

### **Internal Environment**

The Constabulary's Policing Plan 2010 has identified the following Policing Priorities:

- Providing an excellent Service
- An active presence in every neighbourhood
- Catching criminals and managing offenders
- Protecting our communities from crime and harm
- Making the most of our resources
- Equipping our team to deliver

The department will make certain that the organisations procurement activity aligns and underpins these priorities.

The organisation's procurement activity is bound by European Procurement Directives, UK procurement regulation and is governed by Hampshire Police Authorities Contract Standing Orders.

The Constabulary spend approximately £51 million per annum on a diverse range of goods and services. This spend is attributed to approximately 2800 third party suppliers and distributed as follows:

<b>Category Area</b>	<b>2009/10 Spend £m</b>
IT & Communications	£11.83
Transport	£6.46
Professional Services	£6.21
Property Services (estate)	£5.81
Scientific (Forensic) Services	£4.25
Utilities/Fuel	£4.47
Office Equipment & Consumables	£2.71
Clinician & Medical Services	£2.17
Support Services	£2.76
Travel & Accommodation	£1.05
Temporary Staff	£0.71
Training	£0.66
Uniform & Equipment	£0.16
Other Categories	£2.55

## **Procurement Principles**

The following details the overarching procurement principles within which the strategic objectives will be delivered.

- **Value for Money** - procurement operating procedures and business processes deliver value for money; to be achieved through a continuous improvement and efficient approach to procurement. Developing category management strategies, delivering strategic supplier relationship management, influencing and meeting user's requirements with output specifications, utilising a project approach to sourcing projects.
- **Category Management** - exploit the benefits and market place leverage delivered through greater aggregation and consolidation of spend and more efficient use of resources through the adoption of a once only principle.
- **Collaboration** - maximise collaborative opportunities, through the use of existing public sector frameworks where appropriate. Establish

regional and national contracting opportunities through effective demand planning.

- **Procurement Capability** - maintain a strong core commercial procurement capability through continuous development, training, successful recruitment, retention and succession planning. Ensure that procurement skills and resources are available to the organisation through effective deployment of a flexible resource. Disseminate procurement capability throughout the organisation via targeted training and marketing material.
- **Equality** - Ensure that all organisations wishing to provide services on behalf of the Police Authority must be able to demonstrate that all reasonably practical steps are taken to allow equality of access, respect for diversity and adherence to human rights in employment and service delivery. Potential suppliers shall not be discriminated against when bidding for contracts or seeking to provide services on the grounds of race, age, religion, disability, gender or sexual orientation
- **Governance** – procurement decisions to be auditable, and provide propriety and probity, deliver appropriate control over sourcing activities to ensure the Constabulary remains compliant with legislation, regulation, EU directives and Contracting Standing Orders.
- **e-Enabled Procurement** – use electronic sourcing, tendering and contract management systems to improve competitive commercial delivery.
- **Sustainable Procurement** – embed environmental, social and economic issues as part of the procurement framework for the organisation.

## Objectives and Targets

The following section outlines the main objectives and aims for the procurement department over the next five years.

### **Supporting the Policing Plan Priorities**

The annual Procurement “Work plan” priorities will clearly identify which of the Policing Plan priorities its supports and how it supports them.

#### **Maintain collaborative relationships**

Foster collaborative relationships at both a local, regional and national level with other forces and the wider public sector; in order to reduce the procurement resource burden upon the team, make the most efficient use of resource and increase the leverage applied to the market place.

Enable our contracts/frameworks for use by other police forces and where appropriate the wider public sector.

Continue to contribute to the regional South East APPCP forum, building on opportunities to align contracting requirements through effective demand planning, along side standardising contracting Terms & Conditions and aligning financial threshold for full competitive tendering.

Support and develop the South & South Eastern ACPO procurement forum, through regular attendance at quarterly meetings.

Use NPIA led National Framework where required to and support NPIA initiatives/waveplans.

Adopt guidance provided within OGC led collaborative market approaches, in particular adopting the recommended approach to flexible wholesale Energy buying.

#### **Effective Category Management**

Consolidate spend through compliant contract routes; delivering greater opportunities for supplier leverage and reduced contract rates.

Provide committed volumes to the market place through controlled and managed spend; utilising accurate usage demand information.

Rationalise the constabulary’s supply base whilst at the same time balancing the requirement for effective competition.

Deliver a contracted compliant route to market for 80% of the value spent on goods & services.

Reduce the risk presented by off contract spend by increasing the scope of influence that the central procurement team have at the same time removing maverick spend where existing routes to market exist.

Improve the quality of service and goods received through ongoing contract management.

Establish a Supplier Management Strategy.

Increase market competition through effective supplier development and relationship management.

Improve our influence over strategic market providers by developing a partnership approach to commercial relationships.

### **Deliver Cashable Savings for the Constabulary**

In 2010-11 deliver an annual 0.80 percent saving against Non IT categories and 2.70 percent against the IT category for influencable third party spend. This will equate to a spend reduction of £302,000 for non IT categories and £387,000 for the IT category.

By 2013-14 to have delivered a total £3,166,932 cash savings from Non IT categories and £1,298,108 cash saving from IT category spend, over the four year period.

### **To realise a fully e-enabled Procurement Process**

Continue to utilise electronic tendering and sourcing and selection solutions to ensure that the procurement processes are delivered in the most efficient and cost effective manner.

Ensure that contract records are maintained through a contract database.

Deploy information systems to capture the required commercial intelligence to allow for successful decision making.

Support the project to deliver an electronic purchase to pay process for the Constabulary, including the delivery of a system to support the electronic management of the supply base, tendering, sourcing, requisitioning, invoicing and contract management.

Develop an e-procurement strategy.

### **Embed a “Sustainable Procurement” approach**

Understand the sustainable impact that our contracting requirements may have and attempt to reduce this impact where high/medium.

Ensure that sustainability requirements are considered and built into all procurement projects at an early stage and throughout the process.

Aim to achieve Level 3 “Practice” of “The Flexible Framework” by the end March 2015. Additionally to achieve Foundation Level by the end March 2011 and Level 2 “Embed” by the end of March 2013.

Use “Whole Life” approach to all contracting including “Whole life Costing” within the evaluation process.

Apply government guidance for minimum environmental standards when purchasing certain types of products.

Consider the use of environmental standards for our suppliers within our contracting requirements, in particular ISO 14001.

Undertake appropriate training and development for the procurement team to ensure an understanding of sustainable procurement principals.

Use strategic influence to stimulate product and process innovations that will lead to sustainability improvements in the supply chain.

Work with the NPIA National Sustainable Procurement working group to deliver a tool kit that will be made available to all forces.

Implement the “Accelerating the SME economic engine: through transparent, simple and strategic procurement” recommendations for advertising contracting opportunities to support the greater engagement of Small to Medium Enterprises (SME’s).

Ensure that contracting opportunities are structured in a manner which enables participation from SME’s and Third Sector Organisations (TSO’s). Aim to increase the level of contracted SME’s suppliers by 6% from 2009 level to 35% by 2015.

Refresh the Constabulary’s Sustainable Procurement Strategy, known as “Environmental Procurement Strategy 2006”.

### **Effective communication and awareness**

Improve the usefulness of procurement intranet pages to deliver guidance, templates and information to the entire organisation on procurement activity.

Establish marketing and promotional materials for each contract launched by the central procurement department.

Develop supplier pages within the external internet pages, which provide guidance and information on opportunities to become a supplier for Hampshire Constabulary.

### **Support Equality & Diversity within our procurement processes**

Procurement activity will reflect the requirement of all relevant Equalities legislation, in ensuring non-discrimination and promotion of equality of opportunity.

Deliver Equality & Diversity procurement guidance for both internal buyers and external suppliers, which sets out expectation in standards of behaviour.

### **Improve procurement capability**

Ensure qualification requirement for all procurement role profiles are aligned to expected competencies.

Increase the number of professionally qualified staff in Membership to Chartered Institute of Purchasing & Supply.

All members of procurement department adopt a “Continuous Professional Development” approach to their roles, with an expectation of achieving at least 100 CPD points per annum.

Ensure that procurement department receives regular training and development, which maintains their level of professional knowledge and understanding, and ensures that the department can be recognised as a centre of expertise.

Develop a training package on procurement to be delivered as part of the basic and advanced Financial Training received by all grades of Chief Inspector and above and police staff equivalents.

Allow the procurement team to be deployed in a flexible and effective manner through effective planning of the demand for resource.

Deliver a development program to share commercial experience across the team to improve department’s resilience to changes or non availability of personnel.

### **Timeframe & Delivery**

This procurement strategy covers the period 2010 to 2015. The strategy will be reviewed on an annual basis to ensure that it remains relevant. An annual delivery plan will be produced that will outline the priorities and objectives and how they will be achieved.

### **Success Indicators**

Indication that this strategy has been successfully implemented will be monitored through the use of performance indicators and progress against specific targets. These will include:

Evidence of delivery of savings targets  
Capturing of additional benefits delivered through contracts  
Creation of Key Performance Indicators within “Work plan”  
User satisfaction Index feedback  
Benchmarking performance against Procurement value for money indicators in public sector corporate services

## **Role & Responsibilities**

Overall ownership of this strategy will reside with the Head of Financial Accounting

The Principal Procurement Manager will retain responsibility for maintaining, reviewing and ensuring that it is successfully implemented.

The entire department will sign up to this strategy and will adopt specific responsibility for delivery of priorities under an annual “Work plan”. This will be managed by the Procurement Manager on a day to day basis.

## **Procurement Policies & Procedures**

The organisation’s procurement activity is bound by European Procurement Directives, UK procurement regulation and is governed by Hampshire Police Authorities Contract Standing Orders. As such the procurement department has a responsibility to ensure that sourcing activity is undertaken in a transparent, equitable, and compliant manner.

The Procurement Operating Procedures Manual will provide an operating framework in delivering this strategy.

