

Durham Constabulary



Procurement Strategy

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SECTION 1: STRATEGIC AIM AND OBJECTIVES

The aim of this Strategy is to outline the Procurement priorities for 2018 - 2021 and will demonstrate how procurement will contribute to the strategic direction and priorities of the force which will also further support the achievement of the Durham Constabulary 'Force Vision'.

The Force Vision is that we will deliver excellent policing, inspiring confidence in victims and our communities by:-

- Protecting Neighbourhoods
- Tackling Criminals
- Solving Problems

Procurement Team supports the force in the deliverance of value for money policing to the people of County Durham and Darlington

Durham Constabulary spends in excess of £20 million pounds per annum on products and services which are provided by external providers.

We are extremely conscious that every penny we spend is spent wisely and we obtain VFM for our local communities.

Our strategy has been set to contribute to several of the forces strategic aims whilst still focusing on our main procurement objectives which are:

- To ensure that high quality fit for purpose products and services are provided to Durham Constabulary effectively, efficiently and ethically, utilising available resources; to improve business benefits and increase efficiency and force operational delivery
- Procurement Team will provide robust support to Durham Constabulary and we embrace the shared values and vision of the force to provide the highest level of customer service.
- Recognise a need for flexibility which is paramount when responding to operational requirements and further challenging demands through times of austerity
- Building our supply base where service providers are keen to do business with us and who will also bring with them new and innovative ideas to increase mutual benefit for both parties
- Procurement will operate within the Policing Principles as defined by the College of Policing Code of Ethics and strive to ensure that our service providers who we do business with are also made aware of and agree to adhere to the Code of Ethics

The Code is publically available for reference at the following internet link:

<https://www.durham.police.uk/About-Us/Transparency-and-Integrity-Programme/Pages/default.aspx>

- To achieve Significant cost savings through the development of contracts which cover the majority of the force spend without compromising on quality
- To develop a respected highly motivated and professional procurement Team

- To demonstrate that effective procurement is fundamental to the support of our force vision and frontline officers & staff

This strategy sets out our overall vision for procurement and the objectives along with the measurements we intend to achieve

| <u>OBJECTIVE</u> | <u>MEASUREMENT</u> |
|---|---|
| 1. <u>Team Development</u> Professionally qualified and appropriately experienced staff | PDR process & CPD CIPS Qualifications Provision of appropriate support and development opportunities Internal mentoring |
| 2. <u>Leadership</u> Deliver procurement expertise to demonstrate leadership and increase procurements impact and influence in all areas across the force. Development of a more commercially focused procurement culture. Procurement professionals to demonstrate that they make a corporate contribution and are seen as a valuable corporate resource | Force staff are equipped with the knowledge, training, and practical skills needed to derive maximum benefit from procurement practices. The Force has increased commercial awareness Provide timely information when requested i.e. cost savings reports |
| 3. <u>Customer Engagement</u> Provision of specialist advice and identification of the appropriate procurement solution to deliver efficiencies. | Trust, satisfaction and feedback and to be expeditious when required |

| | |
|--|--|
| <p>4. <u>Make Cost Savings</u></p> <p>Use our spending power wisely</p> <p>Effective category management in key areas of spend</p> <p>Proactively encourage the management of major/commonly used suppliers</p> <p>Consolidate high volume / lower value orders to reduce supplier prices, associated admin and increase discount where possible</p> | <p>Use of standard specifications and frameworks where appropriate</p> <p>Robust contract management and reduction of the force supplier base</p> <p>Demand management, reduction of costs and unnecessary over ordering of products and services</p> <p>Efficiency savings reports, reduction on low value order charges.</p> |
| <p>5. <u>Policy, Processes & Systems</u></p> <p>Procurement activity which is transparent, consistent, ensuring the highest standards of probity and accountability.</p> <p>Adherence to internal and external governance and Legislation</p> <p>Streamlined Procurement policy and improved automated processes</p> | <p>Internal and external audit reports and organisational reputation</p> <p>Outcomes / results of procurement exercises</p> <p>Adherence to correct processes, Improvements to the financial system, feedback from system users/ accountability meetings</p> |
| <p>6. <u>Collaboration and Partnering</u></p> <p>Active involvement to help develop closer working relationships with public/private sector organisations to identify appropriate collaboration opportunities, and work towards harmonisation of strategies, procedures and documents.</p> <p>Proactive working with existing suppliers to develop partnership arrangements</p> | <p>Aggregation of spend through effective collaboration and increased sharing of services on common products and services without compromising quality</p> <p>“Joint Team Durham ethos”</p> |

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| <p>7. <u>Performance</u></p> <p>Effective measurement of team performance and a commitment to continual improvement.</p> <p>Efficient publication of data on procurement databases and relevant websites</p> | <p>Team Accountability meetings</p> <p>Good practice monitored through Home Office teams and the use of BLPD and force website</p> |
| <p>8. <u>Risk Management</u></p> <p>Procurement is seen as a driver to implement best practice procedure which will protect the force when managing procurement exercises</p> <p>Risks are identified and managed through a corporate approach to risk management which is integral to force requirements</p> <p>Identifying and reducing unethical procurement practices in pre and post contract award</p> <p>Promote the Code of Ethics via all procurement exercises to internal staff involved in the procurement process and external service providers</p> <p>Develop and agree exit strategies within all major contracts</p> <p>Review service provider contracts contingency management structure</p> | <p>Reduced chance of challenge from aggrieved suppliers</p> <p>Pre-acquisition discussions with internal stake holders and completion of risk assessment for higher value procurements</p> <p>Unethical procurement practices are identified and avoided via interaction with professional standards team if necessary</p> <p>Adherence from staff and external suppliers</p> <p>Contracts include clause for exit management strategy / cross over of service provision and drop in / drop out clause applicable to changes in the force estate or other</p> <p>Business continuity is included / considered as part of the evaluation process</p> |
| <p>9. <u>Social Responsibility</u></p> <p>Expect contractors to act fairly with their own supply chains and mandate timely payment to their own contractors (EMB, Micro and SME'S etc.)</p> | <p>Procurement documents to detail the forces request for satisfactory payment schedules to suppliers</p> <p>Suitable clauses within contracts t&c's</p> <p>Accountability meetings with service providers to demonstrate commitment</p> |

SECTION 2: WHAT IS THE STRATEGY?

The potential for improvement and maximisation of efficiency gains in procurement practices which has been recognised following a number of key government led reports disseminated over a period of years

This Strategy is designed to incorporate some of the key themes included in recent Government reports which resulted from these studies. In addition it reflects the key principles of collaboration and standardisation of certain categories which emphasise an overarching aim of securing greater efficiency and Best Value

The Strategy also supports Durham Constabulary's commitment to securing best value which in turn will support the delivery of policing services to the communities of County Durham and Darlington.

Durham Constabulary also accepts that as an employer and provider of services to the community, it can have a significant impact upon the environment. This strategy will aim to ensure that in delivering best value, consideration will always be given to selecting products and services that may not always be cheapest in the short term, but which ultimately lead to long term financial gain, less frequent replacement or reduction in waste.

Finally, this strategy underpins the force's 'Aiming for Excellence' philosophy which is based upon the key principles of; effective leadership at all levels, accountability for performance, role clarity and open communication.

These principles, together with the Constabulary's vision and values, ensure continuous improvement of performance in delivering community focused policing.

Delivery of this strategy will depend upon successful implementation of a number of key processes and initiatives, including the following:

- Preparation of an evolving Procurement Plan, incorporating all force projects for the following year.
- Robust management of the timescales in the Procurement process, involving all relevant stakeholders for tender specification preparation through to tender evaluation.
- Identification and use of the appropriate Procurement process for each piece of work, according to its value, e.g. quotation, tender, EU tender and also urgency.
- Annual review of contracts, to ensure continuous VFM
- Monitoring of the Home Office strategies to identify impacts upon delivery of the Durham Procurement Strategy.
- The Procurement Section to be staffed by experienced Procurement professionals.
- Regular reporting of Procurement activity to the Executive and Home Office on request to ensure accountability and transparency.
- Monitoring and review of Procurement documents, to ensure compliance with relevant legislation.

- Participation in benchmarking exercises, with other forces and organisations to ensure that best practice is identified and adopted where possible.

SECTION 3: STRATEGY HIERARCHY

This strategy links to the Financial Strategy.

The impact of the Procurement Strategy upon other Force Strategies and initiatives will be identified and managed through the relevant policy and decision making groups, in conjunction with the relevant Strategy and initiative owners.

The main impact of the Strategy will be in regard to Financial Management, under the corporate theme of Improvement and Efficiency “aiming for excellence”. However, it also supports the outward facing themes of Service Provision, Customers and Stakeholders.

Implementation of the strategy will be in accordance with the (ODPCVC) Governance Thresholds, National and EU law

SECTION 4: TARGETED AUDIENCE

- Executive, PCVC and stake holder personnel – to instill leadership, which will challenge and monitor the way that we as a force carry out procurement and to ensure consistency across all teams
- Procurement Team: to empower this team to develop new ideas with a view to improve and shape future procurement activities
- Other stakeholders: External and Internal Auditors
- Regional partners: to ensure that our strategies are further aligned to regional strategies and better fit all partner requirements
- External organisations: existing suppliers and potential ones, all suppliers to be better informed of the direction the force is moving

As part of the securing best value through its procurement, the procurement dep’t will ensure that its practices and policies contribute to the Constabulary’s priorities on equality and diversity, ensuring that all tenderers, contractors and partners are treated equally, and that they themselves operate and comply with an effective equality policy.

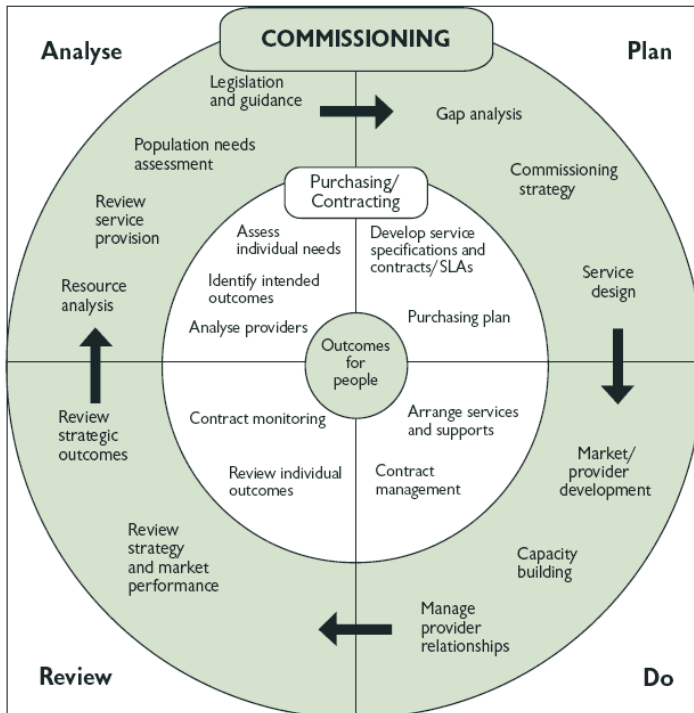
Procurement Team will challenge discrimination through its procurement process should it prove necessary to do so. We value the differences that a diverse workforce can bring. For reference the Equality Act 2010 combines all previous Acts associated with equality and diversity into one overarching Act extending the protection from discrimination to additional equality ‘strands’, now called ‘*protected characteristics*’. These include – age, disability, gender reassignment, race/ethnicity, religion/belief, gender, sexuality, marriage/civil partnership and pregnancy/maternity status.

SECTION 5: COMMISSIONING AND PROCUREMENT

Recently there has been a move away from purely procurement alone to incorporating a more strategic community focused service which involves the commissioning of services. There are slight differences between commissioning and procurement which are outlined below and it is important that both roles and responsibilities are outlined for clarity in support of this strategy

| Outline of the difference between commissioning and procurement |
|--|
| <p>Commissioning: <i>Commissioning can be defined as the process of specifying, sourcing and securing services to meet the needs of the community and continued monitoring of those services at a strategic level.</i></p> |
| <p>The Office of the Durham Police, Crime and Victims Commissioner (ODPCVC) manages the commissioning of community focused services, commissioning is initiated by need and it involves understanding the market and also procurement. The Office of the (ODPCVC) ensures that his communities voice is heard which then instigates and defines the services which are needed.</p> <p>Commissioning involves looking at the bigger picture incorporating the needs across our force areas, sourcing budgets and funding available to meet these needs but also developing and aligning strategies to deliver the best possible outcomes to meet the needs of citizens within our Durham communities.</p> |
| <p>Procurement: <i>Procurement is an integral part of the commissioning process which involves sourcing, engaging with and managing the spends with suppliers (those who provide and deliver products and services)</i></p> <p><i>Procurement is structured in a way which is governed by the organisations governance strategy which is overseen by the Office of the (ODPCVC) , the governance strategy incorporates the ODPCVC's thresholds of spend which then instigates the route which is followed for a particular procurement</i></p> |
| Process which is covered by Procurement |
| <ul style="list-style-type: none"> ▪ Assisting when a stake holder identifies a need for a product or service ▪ Assess options for the best route to market – define the procurement approach ▪ Research the supply market ▪ Defining procurement documents and align to applicable regs & legislation ▪ Use of E-Procurement systems ▪ Manage the tendering, clarification and evaluation processes to ensure fairness, consistency and transparency ▪ Instigate the Risk Assessment for procurements ▪ Protect the organisation against unethical / unfit procurement practice (Refer to the Code of Ethics) ▪ Finalise and complete the procurement process by award of contract ▪ Manage the process when challenged by aggrieved suppliers ▪ Review the process for lessons learnt ▪ Review the delivery of services (contract meetings) ▪ Set time scales ahead in readiness for next contract – re-tender (update the force procurement planner) |

Diagram which helps demonstrate how commissioning and procurement link



SECTION 6: CORPORATE DELIVERY AND ACCOUNTABILITY FUNCTIONS

Each year a programme of key tasks and priorities will be outlined in the department planner, these tasks will be performance managed to ensure development of procurement activity in support of this strategy;

Efficiency saving targets to be set each financial year and monitored on a regular basis

The extent of collaboration with other Forces, Emergency Services and Local Authorities will be also be monitored

SECTION 7: PARTNERSHIP INVOLVEMENT

Collaboration opportunities will be considered when appropriate. The Home Office continues to provide a focus on developing collaborative working across the UK and there is also focus on increased collaboration of the NE regional forces. In addition, the National Procurement Strategy will drive greater collaboration between forces on a national and regional basis. As part of this strategy we will also seek to create partnerships with suppliers through improved supplier engagement, including SME's and Third Sector (voluntary and community sector), to deliver efficiency savings, social, environmental and ethical benefits.

SECTION 8: BUSINESS BENEFITS

Outputs:

- Ongoing savings towards the Force Efficiency savings target.
- Improved accountability and internal control
- Cost reduction within the 'procure to pay' process through the use of e- invoicing.
- Direct savings through increased competition and supplier performance monitoring.
- Process improvement and efficiencies (cashable and non-cashable).

Outcomes:

- Improved training and skills of Managers and Procurement staff
- Benefits to stake holders
- A more 'informed' client with a greater understanding of procurement processes and financial instructions, awareness of potential challenges to incorrect procurement.
- Greater resilience through collaboration and analysis of key suppliers.
- Consideration of whole life costs including cost of disposal or recycling.
- Improvements to corporate procurement of products and services
- Streamlined procure to pay process.

SECTION 9: POTENTIAL EFFICIENCY GAINS

Efficiency savings will be an outcome of the strategy.

| EFFICIENCY DETAIL |
|---|
| Demand Management and control of what is being ordered will provide cost savings |
| Collaboration and use of frameworks should provide savings and increase efficiency |
| Proactive supplier contract management by stake holders will improve quality of service and instigate added values on certain contracts |
| Proactive procurement planning by procurement team and internal stakeholders will assist production of better fit for purpose specifications and allow for safer procurement exercises (tighter control) |

SECTION 10: ACTION PLAN

The following pages outline the specific actions for the strategy. These actions will be included within business plans for progression and accountability purposes. Each action has a start and end timescale attached to it as well as a priority status

| ACTION PLAN | | | | |
|---|--------------------------|----------------------|--------------------|-----------------|
| STRATEGIC OBJECTIVE: - Theme 1 – Developing People TO ENSURE THERE IS A STRUCTURED APPROACH TO EDUCATION, TRAINING AND DEVELOPMENT OF STAFF WITHIN THE ORGANISATION WHOSE ROLE HAS AN IMPACT ON THE PROCUREMENT PROCESS FOR PROCUREMENT STAFF TO ACHIEVE NATIONALLY RECOGNISED PROCUREMENT QUALIFICATIONS. | | | | |
| ACTION | AREA/DEPT RESPONSIBILITY | DELIVERY TIMESCALE | REVIEW REQUIREMENT | PRIORITY STATUS |
| Procurement to provide guidance to our staff on requisitioning processes and requirements to support audit and any other areas of ambiguity which is impacting on roles | Procurement | Lifetime of strategy | Yearly | L |
| Provide procurement staff with the appropriate support and development opportunities | Procurement / Executive | Lifetime of strategy | Quarterly | M |
| Regular monitoring of staff education, training and development via PDR and performance management processes. Including CPD | Procurement | Lifetime of strategy | Half Yearly | L |
| Participate in the work of the North East Regional Procurement Teams | Procurement | Lifetime of strategy | Quarterly | L |
| Participate when appropriate in the work of The Home Office to support Procurement initiatives for national collaboration. | Procurement | Lifetime of strategy | Quarterly | M |
| Head of Procurement to identify specification writing training for appropriate staff across the force. | Procurement | Dec 2018 – June 2019 | Half Yearly | M |

| All areas and departments to identify and inform the force Head of Procurement of appropriate staff to be trained in specification writing. | ALL areas and departments | June 2018 – Aug 2019 | Ongoing | M |
|--|----------------------------|----------------------|--------------------|-----------------|
| STRATEGIC OBJECTIVE: - Theme 2 – Risk MINIMISATION OF RISK OF SERVICE DISRUPTION BY ENSURING CONTINUITY OF SUPPLY OF CRITICAL PRODUCTS AND SERVICES. | | | | |
| ACTION | AREA/DEPT RESPONSIBILITY | DELIVERY TIMESCALE | REVIEW REQUIREMENT | PRIORITY STATUS |
| Ensure Business Continuity / Risk Assessment Management is considered as part of the pre-acquisition discussions with stake holders. | Procurement / Stake Holder | Lifetime of strategy | Ongoing | H |
| Include the use of supplier references and feedback relating to Business Continuity to assist the evaluation process to minimise potential risks to Durham Constabulary | Procurement / Stake Holder | Lifetime of strategy | Ongoing | M |
| Ensure that there is Exit Management plans / Drop In and Drop out clauses integrated within the contract documents | Procurement / Legal | Lifetime of strategy | Ongoing | M |
| STRATEGIC OBJECTIVE: - Theme 3 – Policy and Processes STREAMLINED PROCUREMENT POLICY AND PROCESSES FACILITATING PROCUREMENT ACTIVITY WHICH IS TRANSPARENT, CONSISTENT AND WHICH ENSURES THE HIGHEST STANDARDS OF PROBITY AND ACCOUNTABILITY | | | | |
| ACTION | AREA/DEPT RESPONSIBILITY | DELIVERY TIMESCALE | REVIEW REQUIREMENT | PRIORITY STATUS |
| All tender documents to include the Code of Ethics agreement form (supplier review and adherence) | Procurement | Lifetime of strategy | Ongoing | H |
| Review and revise procurement policy and HTDB documents, procedures and controls to include new governance thresholds. | Procurement | June – Dec 2018 | 6 monthly | H |
| Review and revise all tender documentation to include amendments & requirements of EU Regs. | Procurement | Lifetime of strategy | Ongoing | H |

| | | | | |
|--|-------------|-----------------------|-----------|---|
| Increase the use of Agresso for purchases via notification to service providers that an official PO number must be obtained prior to delivery | Procurement | Lifetime of strategy | Yearly | L |
| Identify and develop a 'Procurement Toolkit/Guide', for use by all levels of staff involved in procurement activity which includes guidance on what a good specification looks like and the importance of getting this right | Procurement | <u>Aug - Dec 2018</u> | Quarterly | M |

STRATEGIC OBJECTIVE: - Theme 4 – Collaboration and Partnering

ACTIVE INVOLVEMENT IN COLLABORATIVE ARRANGEMENTS TO IMPROVE EFFICIENCY AND EFFECTIVENESS OF SERVICE PROVISION.

| ACTION | AREA/DEPT RESPONSIBILITY | DELIVERY TIMESCALE | REVIEW REQUIREMENT | PRIORITY STATUS |
|---|--------------------------|----------------------|--------------------|-----------------|
| Identify and maintain a full list of contracts across the Force, continually update BLPD | Procurement | Lifetime of Strategy | Ongoing | M |
| Monitor, review and update the procurement planner and Outlook and align with BLPD | Procurement | Lifetime of strategy | 6 monthly | M |
| Identify and utilise areas for collaboration. | Procurement | Lifetime of strategy | 6 monthly | M |
| Identify non-pay spend by supplier and category | Procurement | Lifetime of strategy | 6 monthly | H |
| Review the level of spend for categories / overlapping services against the tender threshold levels | Procurement | Lifetime of strategy | 6 monthly | H |

| STRATEGIC OBJECTIVE: - Theme 5 – E-Procurement Systems TO UTILISE E- PROCUREMENT, WHERE APPROPRIATE, TO SUPPORT THE AIMS OF THE PROCUREMENT STRATEGY THEREBY IMPROVING EFFECTIVENESS AND EFFICIENCY OF THE PROCUREMENT FUNCTION | | | | |
|--|---------------------------------|---------------------------|---------------------------|------------------------|
| ACTION | AREA/DEPT RESPONSIBILITY | DELIVERY TIMESCALE | REVIEW REQUIREMENT | PRIORITY STATUS |
| Electronic Tendering and Quotations - To embed the new Blue Light electronic tendering and quotation system within the Procurement Team of Durham Constabulary. | Procurement | Lifetime of strategy | Ongoing | L |
| Ensure that all procurement is aligned with the new regulations for automated processes requirement | Procurement | Lifetime of strategy | Ongoing | L |
| Work with Finance Team to increase the efficiency of Agresso system | Procurement | Lifetime of Strategy | Ongoing | M |
| STRATEGIC OBJECTIVE: - Theme 6 – Performance EFFECTIVE MEASUREMENT OF PERFORMANCE AND A COMMITMENT TO CONTINUAL IMPROVEMENT | | | | |
| ACTION | AREA/DEPT RESPONSIBILITY | DELIVERY TIMESCALE | REVIEW REQUIREMENT | PRIORITY STATUS |
| Provide relevant information to the Executive which includes the final results following high value procurement exercises | Procurement | Lifetime of Strategy | Ongoing | M |
| Provide regular reports to the Executive and Home Office which details the quarterly cost savings updates | Procurement | Lifetime of Strategy | Quarterly | H |
| STRATEGIC OBJECTIVE: - Theme 7 – Social Responsibility TO ENSURE THAT PROCUREMENT ACTIVITY SUPPORTS THE FORCE PRINCIPLES WHICH COVER ITS ENVIRONMENTAL AND SUSTAINABILTY AND EQUALITY & DIVERSITY STRATEGY AND ENSURE THAT AS A LIVING WAGE EMPLOYER OUR SUPPLIERS POSTIVELY CONTRIBUTE TOWARDS THESE DEVELOPMENTS. | | | | |

| ACTION | AREA/DEPT RESPONSIBILITY | DELIVERY TIMESCALE | REVIEW REQUIREMENT | PRIORITY STATUS |
|---|--------------------------|--------------------|--------------------|-----------------|
| To increase procurement staff awareness of the principles of sustainability and Equality & Diversity by encouraging attendance at appropriate events. | Procurement | Ongoing | 6 monthly | L |
| To ensure that appropriate procurement documents include reference to E&D, Living Wage, Social Responsibility, efficient supplier payment | Procurement | Ongoing | 6 monthly | M |

SECTION 11. CONTACT DETAILS FOR DURHAM CONSTABULARY PROCUREMENT TEAM

E-mail: procurement@durham.pnn.police.uk

Write to:

Procurement Department
Durham Constabulary
Police HQ
Aykley Heads
Co Durham
DH1 5TT

Web: www.durham.police.uk