

## OVERVIEW AND SCRUTINY COMMITTEE

6<sup>TH</sup> September 2010

### Briefing Paper – Procurement Strategy

<b>Q1 &amp; Q2</b>	<p>The Council does not use the Local Multiplier (LM3) to monitor how money is recycled around the borough of Haringey for various reasons, a few being:-</p> <ul style="list-style-type: none"><li>▪ there is a cost of 50p per supplier to use the related tool and the Council employs over 8,000 1<sup>st</sup> tier suppliers</li><li>▪ the Council has little control over 2<sup>nd</sup> and 3<sup>rd</sup> tier suppliers, therefore to apply the tool to sub-contracted suppliers would be extremely difficult</li><li>▪ the Council is unable to sufficiently influence national contractors e.g. utility suppliers</li><li>▪ local suppliers should be free to chose their own supply chains in order to manage this business risks and the Council should avoid becoming entangled in such risks.</li></ul>
<b>Q3</b>	<p>Haringey Council manages its procurements under a Corporate Procurement Strategy – the most recent version (2010-2013) is currently under review and due to be approved by Cabinet in October.</p> <p>Sitting underneath this Strategy are 16 sourcing plans that are specific to external markets e.g. IT, travel, food and drink, care etc.</p> <p>It is through these sourcing plans that the Council analyses markets and puts in place appropriate contract arrangements for departments to use as ‘One Council’</p>
<b>Q6</b>	<p>Not only does the Procurement Strategy and sourcing plans deal with external markets and contracts, they are also concerned with managing and reducing demand e.g. the Energy Sourcing Plan is concerned to buy energy as cheaply as possible but <u>also</u> to reduce consumption and this can be evidenced in supporting the target to reduce carbon emissions from Council buildings by 40%. Responsibility for demand management rests mainly with line managers (e.g. commissioners of care packages) but corporate procurement plays a role in challenging and suggesting alternatives (off peak travel) or ways to use less (narrowing the choice of paper and double sided printing).</p>
<b>Q5</b>	<p>These linkages between line managers and corporate procurement and between buying better and using less can be seen in the Procurement Strategy, Appendix 2 where anticipated savings over the next 3 years are a mixture of new savings, reduced prices, reduced consumption; some driven by service departments and others driven corporately</p>
<b>Q7</b>	<p>With regard <u>local</u> procurement strategies; the Council is prevented from favouring local suppliers by the Public Contract Regulations 2006, but we do however provide support and training that aims to help our local suppliers compete effectively for <u>any</u> public sector business. We provide training on how to write bids, what standards they need to meet (e.g. H&amp;S, Customer Service, Environmental); we publish work books on our web site for use by suppliers and publish a list of contracts up to 18 months before they are due to expire.</p>
<b>Q8</b>	<p>The extent of Council contracts can be seen on-line by visiting our website. Here we list all contracts by category, along with value and highlight those that</p>

	<p>are due for re-tender in the next 18 months.</p> <p>We are also working to publish a list of all external spend, valued over £500, in accordance with recent Government guidelines. These lists should be available later this year on our web site.</p>
<p><b>Q9</b></p>	<p>When viewing the contracts register, there are instances where services are procured jointly through regional consortia or with other authorities. The North London boroughs are currently working to identify where collaborative procurement opportunities might exist. Typical barriers to collaboration can include: a lack of senior management commitment, differing specifications and needs, differing contract start dates.</p> <p>Corporate Procurement regularly monitors and assesses collaborative arrangements for best value to Haringey Council e.g. we buy our energy through Buying Solutions (Liverpool), our cleaning materials through Braintree District Council, our IT through ESPO (Leicester). The Council operates a complex mixed economy involving in-house provision, local suppliers, regional/national consortia, joint procurements with other boroughs and through the voluntary sector.</p> <p>Over 500m was spent in 2009/10 across over 700 Council services and more than 8000 first tier suppliers.</p>