



# YMCA **Wales** Community College



## Procurement Strategy





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ANNEX A – Procurement Action Plan

# 1. Introduction

This strategy sets out the means by which YMCA Wales Community College (the College) will organise resources and develop processes and skills in order to achieve the Procurement Policy.

## Definition of Procurement

*“Procurement is the process of acquisition from third parties (including the logistical aspects) and covers goods, services and construction projects. This process spans the whole life cycle from initial concept and definition of business needs through to the end of the useful life of an asset or end of a service contract.”*

The College will consider all non-pay expenditure to fall under this definition of procurement.

## Definition of Sustainable Procurement

*“Sustainable Procurement is a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves **value for money** on a whole life basis in terms of generating benefits, not only to the procuring organisation, but also to **society** and the **economy**, whilst minimising damage to the **environment**.”*

## Context

Procurement makes up around 35% of overall College expenditure. This is a significant proportion and it is important that this spend is effectively managed to achieve value for money.

This strategy will allow the College to maximise the efficiency of its procurement activities and their contribution to the College’s overall Aims and Objectives. It will also support the College’s Sustainability Strategy.

The College will endeavour to use best practice principles to benchmark procurement performance, perform supply base analysis and supply positioning and use the Sustainable Procurement Assessment Framework to perform an initial analysis of the current position in relation to Sustainable Procurement.

## 2. Overarching Policy Framework

### EU

All public sector procurement is subject to the EU procurement directives and the implementation of them in the UK via the Public Contracts Regulations 2006. The rules apply to purchases above set monetary thresholds. These regulations permit contracts to be awarded on the basis of lowest price or Most Economically Advantageous Tender (MEAT).

Although the College does not tender any contracts above the set thresholds for application of the directives, it will apply the principles of non-discrimination, equal treatment, transparency, mutual recognition and proportionality. Some degree of advertising, appropriate to the scale of the contract, is likely to be necessary to demonstrate transparency. This is in line with the UK objective of achieving value for money in *all* public procurement.

### UK

The UK Government Procurement Policy states that all public sector procurement must be undertaken on the basis of achieving value for money (Managing Public Money, October 2007). Value for money is defined as the optimum combination of whole-life costs and quality to meet the user's requirements. This definition allows the relevant social and environmental issues to be taken into account in procurement decisions.

### WALES

Wales is one of only three countries/regions to expressly include Sustainable Development within their constitutions. Under section 79 of the Government of Wales Act 2006, the Welsh Assembly Government (WAG) has a duty to promote sustainable development principles in the exercise of its functions, including procurement.

#### **Welsh Legislative/Policy Initiatives**

*Making and Delivering the Connections* set out WAG's vision and plan for delivering public services for the period 2005-2010. Outcomes for public sector procurement are :

- £120m p.a. Value for Money savings by 2008 and more by 2010 while advancing the sustainable procurement agenda;
- attainment of wider benefits from public expenditure;
- need for smarter, sustainable procurement; and
- sustainable development should be at the heart of future procurement.

In recognition of this, WAG has also published the Welsh Public Sector Guide and action plan *Buy Now Don't Pay Later*.

Other key initiatives are *Delivering Beyond Boundaries* and *Opening Doors: The Charter for SME Friendly Procurement*.

The College is aware of the need to be familiar with all the relevant legislative/policy initiatives and, where applicable, address and apply the necessary requirements. In order to do this the College will make use of the Value Wales Procurement Route Planner resources.

The College will review all legislative/policy initiatives with a view to how best to implement them.

### **3. Organisational / Sectoral Policy**

This strategy aims to support the following objectives of the College's Quality Development Plan 09/10 :

- Make better use of electronic invoicing and payments
- Audit goods consumption to maintain its commitment to Sustainable Development

The principles outlined in *Opening Doors: The Charter for SME Friendly Procurement* will, where possible, be used to guide procurement activities using sustainable development criteria in determining value for money, including assessing the impact of economic, environmental and social factors.

Initially, the College will use the Sustainable Procurement Assessment Framework (SPAF) to establish a baseline position, from which targets can be set and progress monitored.

Although the College rarely engages in contract level procurement it will use the Sustainable Procurement Risk Assessment, where appropriate, as a basis for evaluating risks and opportunities.

### **4. Structure of Procurement**

The current structure for procurement across the Welsh Public Sector for Further Education is:

National	Office of Government Commerce
Wales	Value Wales
Welsh Sectoral	Welsh Further Education Purchasing Consortium
Organisational	Welsh FE Colleges

The current structure for procurement within the YMCA Wales Community College is:

Governing Body	Overall responsibility for ensuring that the Procurement Policy is implemented
Head of College	Responsible for sanctioning all purchases
Procurement Officer	Responsible for all other procurement activities

Procurement within the College is centrally managed at the headquarters offices. All SMT members and staff are aware of the College structure for procurement and the procedures outlined in section 5.

Within the sector, the College seeks advice, training and collaboration opportunities from the WFEPC and Value Wales.

## **5. Business Processes**

### **5.1 Purchasing Processes**

All purchase requests must be made to the Head of College.

All purchase requests from part-time staff must be made on the appropriate form, with an accompanying statement of need and, where required, three written estimates of cost. Estimates are required for items over £500.

If the purchase is agreed to be necessary the Head of College can sanction all purchases with the exception of major capital purchases, e.g. motor vehicles, which must be actioned by the Governing Body.

When making procurement decisions the following will be taken into account :

- value for money, as defined herein
- after sales service and warranties
- delivery times
- effective experience of previous transactions with supplier
- existing contracts established by the WFEPC.

If the purchase is sanctioned by the Head of College and/or the Governing Body the Procurement Officer:

- places the order
- informs the requestor that the order has been made and the time scale for delivery
- monitors delivery time, following up order if required
- records arrival of goods
- checks goods
- sends invoice for payment to Finance Officer
- if appropriate, arranges delivery of goods to requestor
- if appropriate, ensures requestor signs for good.

## **5.2 Supplier Base**

Information on suppliers available via the WFEP and Value Wales is the foundation of the Supplier Base. In addition the institution holds information on all suppliers it has contacted for estimates and information on those suppliers it has used.

Information is collected on:

- costs
- delivery performance
- after sales service
- quality of goods.

## **5.3 Management Information**

Information on suppliers of goods and services is held by the Procurement Officer and is available to the SMT to inform purchasing decisions. Information available includes:

- supplier detail
- details of goods and services procured
- quantities bought
- prices paid
- supplier performance.

## **5.4 Accountability**

The Governing Body is responsible for sanctioning all major capital expenditure of £10,000 or above.

The Head of College is responsible for sanctioning all other purchases.

The Procurement Officer is responsible for all other procurement activities.

The institution will make all payments to suppliers by their specified due date.

All institutional staff and Officers are required to declare an interest in the operations of any supplier of goods and services either used by the institution or who tender for contract/supply estimates for goods and services.

All institutional staff and Officers are required to declare any attempts of bribery by providers of goods and services. Likewise staff and Officers must declare any gifts or hospitality offered by or received from suppliers of goods and services.

## 6. Value for Money & Efficiency

The College considers Value for Money to be ‘...*value for money on a whole life basis in terms of generating benefits, not only to the procuring organisation, but also to society and the economy, whilst minimising damage to the environment.*’

When making purchasing decisions the College will consider, as priorities, :

- Whole-life costs
- Electronic payment / invoicing options
- Disposal / Recycling options at end of product life
- Opportunities to consolidate deliveries
- Use of ‘Green Energy’
- Ethical sourcing options e.g. Fair Trade
- Recycled products options
- Promotion of equality and diversity
- Location of Suppliers
- Use of collaborative frameworks for procurement.

The College aims to make use of WFEPCC collaborative contracts wherever appropriate. By using these contracts significant savings can be made as the capacity of the College alone to negotiate savings in the areas covered by these contracts is very small.

Encourage the review of internal consumption of goods/energy to see if processes can be changed e.g. double sided printing, B&W printing by default, switching devices off at the plug overnight, etc.

The College has considered a Purchasing Card to be of no use in achieving efficiency savings as most procurement is dealt with by one officer. As an alternative, the College has adopted the use of a debit card.

On-line purchasing is carried out wherever possible.

The College has set a target of a minimum of 3% annual savings for procurement.

## 7. Collaboration

The College, due to its small size and staff resources, is a ‘passive’ organisation when it comes to collaboration on procurement. That means that the College cannot contribute to tender/contract negotiations for the sector but, rather, it relies on other public sector organisations to establish frameworks that are available to all organisations.

In particular, the College receives all documents from the Welsh Further Education Purchasing Consortium meetings, meets with appropriate suppliers awarded under the frameworks and will use the services of such recommended suppliers as appropriate.

By utilising the collaborative frameworks and contracts, the College can ensure that the requirements of EU, UK and Welsh initiatives and legislation are met, including sustainable procurement and the promotion of equality and diversity.

## **8. People, Training and Development**

The institution is small and has no dedicated procurement officer. At present, the Finance Officer takes main responsibility for procurement activities. Management and administrative staff have also developed expertise in operational procurement at the level required to meet the needs of the institution. When necessary, further advice and guidance on procurement is sought from Value Wales or WFEPC.

The Finance Officer attends training as deemed necessary to fulfil the role of procurement officer to the requirements of the College.

All College staff have attended training in ESDGC awareness.

## **9. Technology / eProcurement**

The College seeks to contribute to efficient and sustainable procurement through maximising its use of online procurement and encouraging the use of electronic invoicing and payments to suppliers.

The College currently purchases all stationery, IT consumables and IT equipment online. The internet is also used for browsing catalogues and sourcing suppliers outside of collaborative frameworks.

When appropriate, use is made of the buy4wales website for submitting requests for quotes and/or sourcing suppliers.

## **10. Performance Management**

The College uses best practice principles to benchmark procurement performance and used the Sustainable Procurement Assessment Framework to perform an initial analysis of the current position in relation to Sustainable Procurement.

These performance tools are used annually to review performance and identify appropriate actions to continually improve performance.

# Annex A

## Action Plan: 09/10 Procurement Action Plan

Issue Ref.	Issue / Shortcoming	Key Questions							Key Question References	Risk
PROC-09.1	The College does not make the best use of electronic invoicing and payments	KQ1	KQ2	KQ3	KQ4	KQ5	KQ6	KQ7	KQ 7.7.1	3

Measurable Target	Action Description	Person Responsible	Interim Date	Completion Date	Person Monitoring	Resource Implications	Progress	Complete
PROC-09.1.1 Use electronic invoicing and payment options on10% of transactions	PROC-09.1.1.1 Make electronic payments to suppliers by BACS where possible.	MISFO	31/01/2010	01/07/2010	HOC	1 MISFO Day : £200		
PROC-09.1.1 Use electronic invoicing and payment options on10% of transactions	PROC-09.1.1.2 Utilise electronic invoicing where possible.	MISFO	31/01/2010	01/07/2010	HOC	1 MISFO Day : £200		
PROC-09.1.1 Use electronic invoicing and payment options on10% of transactions	PROC-09.1.1.3 Accept payments by BACS where possible and appropriate	MISFO	31/01/2010	01/07/2010	HOC	1 MISFO Day: £200		

Issue Ref.	Issue / Shortcoming	Key Questions							Key Question References	Risk
PROC-09.2	The College recognises the need to audit goods consumption to maintain its commitment to Sustainable Development	KQ1	KQ2	KQ3	KQ4	KQ5	KQ6	KQ7	KQ 7.7.2	3

Measurable Target	Action Description	Person Responsible	Interim Date	Completion Date	Person Monitoring	Resource Implications	Progress	Complete
PROC-09.2.1 10 different goods audited for Sustainable Development	PROC-09.2.1.1 Identify goods to be audited	MISFO	01/10/2009	31/10/2009	HOC	1/2 MISFO Day: £100		
PROC-09.2.1 10 different goods audited for Sustainable Development	PROC-09.2.1.2 Audit identified goods against Sustainable Procurement	MISFO	01/11/2009	01/02/2010	HOC	1/2 MISFO Day: £100		