

# Procurement Plan 2018 -2019



2018

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## VERSION HISTORY

Date	Document Version	Document Revision History	Document Author/Reviewer
7 <sup>th</sup> November 2017	1.0	Initial draft – Steering Committee	Maurice Murphy, Procurement Officer
16 <sup>th</sup> January 2018	1.1	Revised following consultation	Maurice Murphy/ Directors and Heads of Function

## APPROVALS

Date Approved	Document Version	Approver Name and Title	Approver Signature
23 <sup>rd</sup> January 2018	1.1	<u>Steering Committee on behalf of Management team</u> Clodagh Henehan (Chair/Div. Manager)  Tom Stritch (DOS Roads)  Loraine Lynch (Head of Finance)	_____  _____  _____

## TABLE OF CONTENTS

1.	Introduction .....	4
1.1	Purpose .....	4
1.2	National Procurement Policy .....	4
1.3	Legal Framework.....	4
1.4	Procurement Responsibilities .....	5
1.5	Procurement in Cork County Council.....	6
2.	Procurement - Our Mission.....	6
2.1	Corporate Plan 2015 – 2019 .....	6
2.2	Mission Statement - Procurement.....	6
2.3	Procurement goals.....	6
3.	Context.....	7
3.1	Overview .....	7
3.2	Organisational Reform.....	7
3.3	Procurement Section .....	8
4.	Actions and timelines.....	8
4.1	Objectives.....	8
4.2	Goal action items .....	8
4.3	Action Plan .....	10
5	Procurement Governance.....	13
5.1	Structure and Roles.....	13
6.	Conclusion.....	14

## 1. Introduction

### 1.1 Purpose

This Corporate Procurement Plan sets out Cork County Council's procurement objectives for the period 2018 – 2019. The objectives reflect both national and local procurement policies and priorities. The plan has been prepared in the context of the national procurement agenda.

As an organisation Cork County Council is fully committed to effective use of the resources available to us to attain best value for money by effectively managing risks in relation to procurement. The best way to achieve this is by managing equitable, transparent and compliant procurement processes across the organisation.

### 1.2 National Procurement Policy

Since the publication of the *Local Government Efficiency Review Group Report (2010)* which highlighted the need for procurement reform to meet the prevailing economic challenges being faced procurement policy nationally has advanced quickly over the intervening 7 years. Local Authorities during this time faced significant resourcing challenges in advancing the procurement agenda but are now in a position to dedicate increased resources to copper fasten policy into daily operations.

The main stakeholders of policy nationally focus on specific areas to maximise results. These include;

**The Office of Government Procurement (OGP)** - commenced operations in 2014 and, together with four key sectors (Health, Defence, Education and Local Government), has responsibility for sourcing all goods and services on behalf of the Public Service. In addition, the OGP also has full responsibility for procurement policy and procedures.

**Local Government Strategic Procurement Centre (LGSPC)** - A Strategic Procurement centre for the Local Government Sector initially set up under the aegis of the Project Management Office for Local Government Efficiency Review, and now subsumed into the Local Government Management Agency (LGMA). The function of the LGSPC is to lead, co-ordinate and support the local government sector with procurement reform supporting its efforts within the procurement reform agenda.

**Local Government Operational Procurement Centre (LGOPC)** - based in Kerry County Council, leads up two categories on behalf of the public sector, i.e. Minor Building Works and Civil and Plant Hire.

### 1.3 Legal Framework

The Treaty of Rome signed in 1957 which resulted in the establishment of the European Economic Community (EEC) set out a number of principles which should apply when awarding contracts, in particular in relation to freedom of movement of goods, freedom of establishment and freedom to provide services.

The specific procurement principles that derive from these basic principles are:

1. **Transparency** - Being open and transparent about the procurement process
2. **Equal Treatment** - Applying the same rules to all giving everyone the same rights of access
3. **Proportionality** - Ensuring that all requirements are necessary and appropriate in relation to the contract.
4. **Mutual Recognition** - is the principle of European Union (EU) law under which member states must allow goods that are legally sold in another member state also to be sold in their own territory

Central to current public sector procurement practice are key guide guidelines and legislation founded in EU legislation that has been transposed into Irish Law including

- Directive 2014/24/EU (Public Sector) transposed by SI 284 of 2016
- Directive 2014/23/EU (Concessions) transposed by SI 203 of 2016
- Remedies Directive 89/665 as amended by Directive 2007/66 transposed by Irish Remedies Regulations SI 130 of 2010 (as amended)
- European Union (Award of Public Authority Contracts) Regulations 2016
- Circular 10/14

All decisions made by Cork County Council must demonstrate adherence to the above legal guidelines and principles.

## 1.4 Procurement Responsibilities

Cork County Council currently operates a devolved procurement function where certain divisions run competitions to procure goods for their section/division or on behalf of the entire council. Where national framework agreements are in place for the local government sector, competitions should be run under these agreements.

The Chief Executive (CE) has ultimate responsibility to ensure compliant procurement. The CE delegates significant budgetary and procurement responsibilities to Divisional Managers, Directors of Service and Heads of Function. Each Director/Head of Function has the responsibility to ensure that the budget holders, to whom they in turn delegate, take responsibility for the compliant procurement of all goods, services and works for which they authorise spend.

In recognition of the need to further develop a corporate wide view of procurement a Steering Group will oversee development of policy and support strategies to ensure procurement compliance. The Steering Group will make recommendations to management team in relation to policy, strategy and structures to be put in place to advance procurement best practice across the council.

A Working Group, which feeds into the Steering Committee, will explore procurement opportunities ensuring that procurement policies support good quality service delivery and the Council maximises value through strategic procurement.

The Procurement Officer reporting to the Head of Finance has a mainly strategic role; to provide advice and guidance to the steering group and staff on legislative requirements and to pro-actively engage with the OPG, LGSPC/LGMA, and LGOPC and generally representing the council externally in

the advancement of good procurement practice. The Procurement Officer will also provide advice on strategies to develop and shape a market place that best serve the needs of Cork County Council.

## **1.5 Procurement in Cork County Council**

The dispersion and scale of Cork County Council's operations presents significant strategic challenges in developing a procurement function to deliver high quality goods and services that represent good value in meeting operational and corporate need. It will require significant commitment from each division and directorate to make available the necessary resources to conduct procurement consistently. In order to deliver this the procurement section must maintain well functioning communication channels to ensure the most up to date information is available through training and a centralised information repository.

## **2. Procurement - Our Mission**

### **2.1 Corporate Plan 2015 - 2019**

The Corporate plan sets out the strategic objectives of the council over the life of the plan as follows;

- Quality Services
- Inclusiveness
- Democratic and Community Leadership
- Economic development
- Sustainable development
- Innovation
- Staff development
- Communication
- Efficiency/Value for money
- Corporate Governance

Procurement Strategy will play a significant role in meeting all of the strategic objectives and will focus primarily on efficiency/value for money and corporate governance to further develop a transparent process that delivers best quality services.

### **2.2 Mission Statement - Procurement**

Our aim is to ensure that Cork County Council's procurement operations serve to administer a compliant environment that facilitates the council in achieving best value and quality through sustainable service delivery.

In collaboration with both internal and external stakeholders we will further develop best practice procurement that delivers transparency, equal treatment, proportionality and mutual recognition focusing on our obligations to our citizens.

### **2.3 Procurement goals**

During the lifetime of this plan Cork County Council will progress a number of priority procurement specific goals which will shape our action plan as follows;

1. Further promote and develop corporate awareness of procurement.

2. Revise corporate procurement policy to consolidate all current National and EU guidelines by adopting specific policy positions to meet corporate need.
3. Strengthen alignment of procurement with strategic objectives and service delivery.
4. Evolve to procurement structures that will ensure procurement best practice and knowledge exist where it will benefit most.
5. Enhance strategic procurement locally to identify and leverage procurement opportunities in service delivery.
6. Seek to actively participate in and shape the direction of public sector aggregation initiatives to achieve best results for Cork County Council.

## 3. Context

### 3.1 Overview

Cork County Council is the second largest local authority in the Republic of Ireland covering the largest geographical area of any authority. The Council's revenue budget of €326m for 2018, which services a population of c. 400,000 people, includes €217.3m of non-pay expenditure.

The Council delivers a broad range of services including Housing, Roads, Planning, Water (under SLA with Irish Water), Economic Development and Tourism, Community Development, Motor Taxation, Fires Services, Commercial Rates etc. with the support of internal divisions including Finance, Corporate Services, ICT, Human Resources, Internal Audit and Organisational Development.

### 3.2 Organisational Reform

The Council has undergone wide ranging reforms, since the last procurement plan was published, through internally lead and externally driven initiatives which include

- Internal
  - Service reviews
  - Organisational restructuring
  - Efficiency/Cost saving reviews
  - Internal shared services
  - Service cataloguing
  - Workforce planning.
  - Business Process Improvement
- External
  - Abolition of Town Councils
  - Establishment of Municipal Districts
  - Establishment of Local Enterprise Offices
  - Local Community Development Committees

All of the above has seen consolidation of operations from 12 Town Councils and 1 local authority to a single authority Cork County Council.

This extensive reform work necessitates a full review of the procurement function, but also provides an opportunity to leverage procurement efficiencies and look at mechanisms to empower SME's in partnership with local enterprise to compete effectively in local government procurement competitions for the benefit of all.

### 3.3 Procurement Section

Cork County Council as a result of the embargo on public service recruitment has not been in a position to have a Procurement Officer solely dedicated to development of the procurement function within the organisation for a number of years.

This has resulted in a heavy dependency on the previous Procurement Officer, re-assigned as a Divisional Senior Executive Officer a number of years ago, who has continued to provide the best procurement advice for specific procurement competitions to those seeking assistance across the organisation. Despite these significant challenges the procurement of goods and services in Cork County Council has operated to a very high standard delivering good value.

The recent appointment of a dedicated Procurement Officer will allow Cork County Council to conduct a full review of its entire procurement structure, overseen by a Steering Committee, and put in place a programme to move forward with a strategic expansion of operations to include publication of revised guidance documentation and implementation of a corporate training model that best suits revised structures and evolving policy.

## 4. Actions and timelines

### 4.1 Objectives

The procurement plan which will be primarily driven by the Corporate Steering Committee and Working Group, assisted and advised by the Procurement Officer will focus on the following objectives;

- Ensure Cork County Council complies with Legislation, Directives, Circulars and any legal interpretations arising pertaining to procurement.
- Put structures in place that ensure staff adhere to corporate procurement policy and processes.
- Provide support to Corporate Plan Strategic Objectives to facilitate effective service delivery.
- Achieve greater value for money by developing purchasing in a co-ordinated manner, streamlining existing procurement processes and identifying opportunities for savings.
- To facilitate economic, social and environmental initiatives through procurement where possible.

### 4.2 Goal action items

Goal	Actions
Further promote and develop corporate awareness of procurement	Establish a steering group Specialist training for procurement staff Develop Corporate Training Programme Establish and maintain a central information repository
Revise corporate procurement policy to consolidate all current National and EU guidelines by adopting specific policy positions to meet corporate need.	Publish new Corporate Policy Develop a suite of guidance documentation Develop Procurement templates

Strengthen alignment of procurement with strategic objectives and service delivery	Incorporate procurement planning into corporate service delivery planning
Evolve to procurement structures that will ensure procurement best practice exists where it will benefit most.	Establish a working Group to support Steering Group. Develop reporting structures that increase visibility and improve collaboration.
Enhance strategic procurement locally to identify and leverage procurement opportunities in service delivery	Champion reporting systems development to identify <ul style="list-style-type: none"> <li>• procurement opportunities</li> <li>• non-compliant expenditure</li> <li>• reporting links between expenditure and procurement</li> </ul>
Seek to actively participate in and shape the direction of public sector aggregation initiatives to achieve best results for Cork County Council	Promote direct involvement of CCC staff Peer to peer exchange of ideas

### 4.3 Action Plan

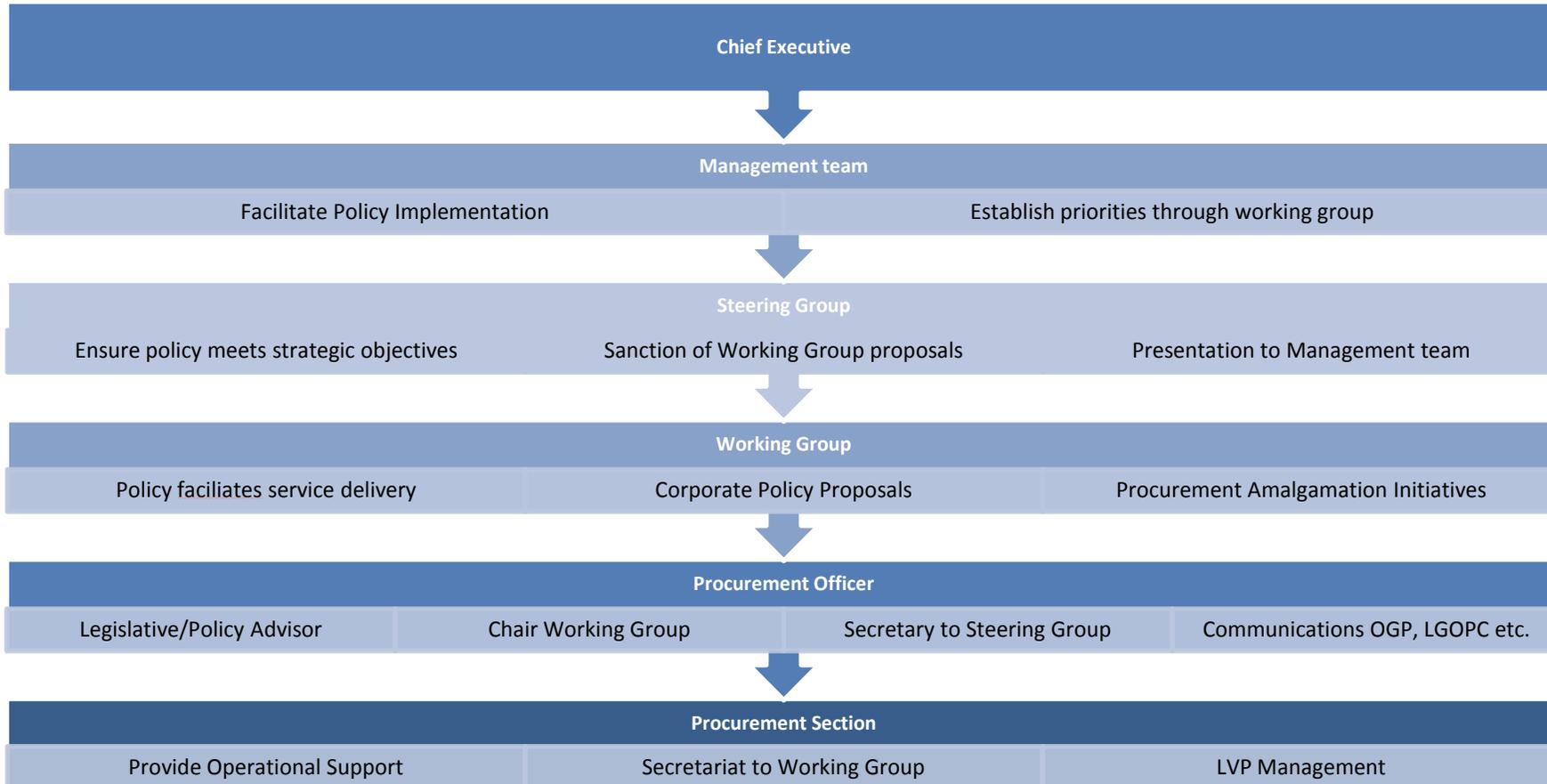
Goal	Actions	Target Date	KPI	Sign off / Responsibility
Further promote and develop corporate awareness of procurement.	Establish Steering Group	Q3 2017	<ul style="list-style-type: none"> <li>• Membership confirmed</li> <li>• Meeting schedule established</li> </ul>	Chief Executive
	Specialist training for procurement staff	Commence Q3 2017	<ul style="list-style-type: none"> <li>• Procurement Officer trained to industry standard</li> <li>• Procurement section staff – specialist training in conducting procurement</li> </ul>	Procurement Officer
	Develop Corporate Training Programme	Q2 2018	<ul style="list-style-type: none"> <li>• In-house training for buyers.</li> <li>• General training for purchasing staff</li> </ul>	Procurement Officer/ HR Training Section
	Launch Procurement Portal	Q3 2017	<ul style="list-style-type: none"> <li>• Latest available Policy</li> <li>• Details of National/Corporate Purchasing arrangements</li> <li>• No outdated documents etc.</li> </ul>	Procurement Officer

Goal	Actions	Target Date	KPI	Sign off / Responsibility
Revise corporate procurement policy to consolidate all current National and EU guidelines by adopting specific policy positions to meet corporate need.	Publish Revised Corporate Policy	Q3 2017	<ul style="list-style-type: none"> <li>Signed off by Management Team</li> <li>Published on website</li> <li>Circulated to staff</li> </ul>	Steering group
	Develop a suite of guidance documentation	Q1 2018	Publish <ul style="list-style-type: none"> <li>Standard procurement templates</li> <li>Guidance notes on conducting competitions.</li> </ul>	Steering Group/Procurement Officer
Strengthen alignment of procurement with strategic objectives and service delivery.	Incorporate procurement planning into corporate service delivery planning	Q3 2018	Develop/agree plan format	Steering group/HOF /Procurement Officer
			Make procurement planning a corporate standard	Steering group/ Management Team
Enhance strategic procurement locally to identify and leverage procurement opportunities in service delivery.	Develop analysis reporting to identify <ul style="list-style-type: none"> <li>procurement opportunities</li> <li>expenditure procurement gaps</li> <li>reporting links between expenditure and procurement</li> </ul>	Q2 2019	Define reporting need	Steering Group/ Procurement Officer
			Develop suite of reports	IT/ Finance

Goal	Actions	Target Date	KPI	Sign off / Responsibility
Seek to actively participate in and shape the direction of public sector aggregation initiatives to achieve best results for Cork County Council.	Participate in national forums  Peer to peer exchange of ideas  Develop supplier registers	Ongoing	Membership of practitioner's groups  Develop network of procurement professionals	Procurement Officer

## 5 Procurement Governance

### 5.1 Structure and Roles



## **6. Conclusion**

The Corporate Procurement Plan 2018-2019 will promote and develop sustainable procurement across Cork County Council.

The actions outlined once implemented will serve to further develop good procurement practice to support service delivery operations across all sections of the Council.