



CABINET – 16TH MAY 2018

SUBJECT: PROGRAMME FOR PROCUREMENT (STRATEGY) 2018 - 2023

REPORT BY: HEAD OF PROCUREMENT

1. PURPOSE OF REPORT

- 1.1 To advise Cabinet on the proposed Programme for Procurement (Strategy) 2018 – 2023, **Appendix A.**
- 1.2 To recommend endorsement and implementation of the Programme for Procurement (Strategy) 2018-2023.

2. SUMMARY

- 2.1 The Authority is committed to ensuring it achieves value for money from its third party procurement expenditure currently circa £170,000.00 per annum. It also recognises the value of using Procurement to support its wider cultural, social, economic and environmental objectives in a way that offers real long term benefits to the Community we serve and the people of Wales whilst balancing the issues of Value for Money.
- 2.2 Our Programme for Procurement will be a living strategy which evolves over time in order to adapt to our ever changing environment and the developing Procurement landscape as a result of Brexit and the Welsh Government review of the National Procurement Service.

3. LINKS TO STRATEGY

- 3.1 Procurement is a discipline which impacts many corporate strategies due to the diverse association with each Directorate within the Authority.
- 3.2 The Procurement function supports the delivery of the Authority's well-being objectives and Welsh Government's proposed Programme for Procurement and Procurement Policy.

4. THE REPORT

- 4.1 The Authority's last Procurement Strategy was in 2015. There has been a delay in setting out a vision for Procurement due to the development of the National Procurement Services and the uncertainty around Local Government Reform, Collaboration and Welsh Governments own Programme for Procurement.
- 4.2 The Wales Audit Office Report "Public Procurement in Wales – October 2017" was critical of Local Authorities failure to maintain an active Procurement Strategy.
- 4.3 The report also concluded that there was clear scope for improvements in public bodies' procurement arrangements.

- 4.4 The proposed Programme for Procurement (Strategy) – Appendix A defines what is meant by Procurement and our current capability status following the latest Welsh Government Fitness Check in 2014.
- 4.5 It details a clear structure for Leadership and Governance and highlights the tools which will facilitate the process with the Authority.
- 4.6 The Programme has four (4) strategic themes which supports the Authority’s Well Being Objectives and the Wellbeing and Future Generations (Wales) Act 2015:
- Culture
 - Economics
 - Environment
 - Social
- 4.7 A five (5) year timescales has been set for the delivery of the Programme; however the key strategic goals are far reaching and may well take us beyond 2023.
- 4.8 The Authority signed up to the Code of Practice: Ethical Employment in Supply Chains in November 2017 (‘CoP’). The Programme support the principles set out within the CoP.

5. WELL-BEING OF FUTURE GENERATIONS

- 5.1 The Wellbeing of Future Generations (Wales) Act 2015 places a number of legal duties on public bodies in Wales in order to meet the legally binding “Common Purpose” for seven strategic well-being goals. Procurement is seen as one of the activities that can assist public bodies to achieve these goals.

6. EQUALITIES IMPLICATIONS

- 6.1 An **EqlA screening** has been completed in accordance with the Authority's Strategic Equality Plan and supplementary guidance and no potential for unlawful discrimination and/or low level or minor negative impact have been identified, therefore a full EqlA has not been carried out.

7. FINANCIAL IMPLICATIONS

- 7.1 There are no financial implications associated with this report or the adoption of the Programme for Procurement (Strategy) 2018 - 2023.

8. PERSONNEL IMPLICATIONS

- 8.1 There are no personnel implications associated with this report or in the delivery of the Programme for Procurement (Strategy) at this time.

9. CONSULTATIONS

- 9.1 Officers have been consulted on the content of the report and the Programme for Procurement (Strategy) and views have been reflected within the report.
- 9.2 A covering report complete with the proposed Programme for Procurement (Strategy) was submitted as an information item to Policy and Resource committee on 10th April 2018.

10. RECOMMENDATIONS

- 10.1 It is recommended that Cabinet endorse the attached Programme for Procurement (Strategy) 2018 – 2023 - **Appendix A**.
- 10.2 That Cabinet receives an annual update on progress in relation to the Programme for Procurement (Strategy) and the Code of Practice, Ethical employment in Supply chains.

11. REASONS FOR RECOMMENDATIONS

- 11.1 To ensure the Authority has a current direction of travel for Procurement which supports the Authority's Wellbeing Objectives and Corporate plan whilst maintaining flexibility to address the developing Procurement landscape following Brexit and the outcome of the Welsh Governments National Procurement review.

12. STATUTORY POWER

- 12.1 Local Government Act 1972 and 2000.

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Policy and Resource Committee – Information Report 10th April 2018

Background Papers:
Welsh Government Code of Practice
Well Being of Future Generations (Wales) Act 2015

Appendices:
Appendix A - Programme for Procurement (Strategy) 2018-2023 (Including KPI Documentation)

Caerphilly County Borough Council

Programme for Procurement 2018 - 2023

■ Culture ■ Economic ■ Environment ■ Social



1. Introduction

The Council has set out its vision for developing and managing the living environment that it aspires to create for the residents and businesses of Caerphilly County Borough Council in its Well-being Objectives.

The procurement function will support the Authority's Well-being Objectives and Welsh Government's programme for Governance with its Programme for Procurement.

The Council is committed to ensuring it achieves value for money from its third party procurement expenditure – circa, £170,000,000 per annum. It also recognises the value of using procurement to support its wider Cultural, Social, Economic and Environmental objectives, in ways that offer real long-term benefits to the community it serves and the people of Wales, whilst balancing the issues of value for money

Our Programme for Procurement needs to be a living strategy, flexible, adaptable and alive to the changing environment; modular in nature so that it is easy to review and update annually in line with developments in the procurement landscape. Our approach will be continuous improvement to bring about real change and to improve the lives of those who live and work within our borough.

The Programme for Procurement will build on the Authority's success to meet the overarching Well-being objective.

2. Definition of Procurement

Procurement is defined as the 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 organisation, but also to society and the economy, whilst minimising damage to the environment. (1)

The Procurement function within Caerphilly County Borough Council is a centralized team of procurement professionals. Welsh Government's fitness check concluded that the function was ***“Mature with an overall maturity rating of developing towards advanced”***.

(1) Procuring the Future, 2006

3. Procurement Leadership and Governance Structure

The leadership and governance structure for procurement within Caerphilly County Borough Council is: -

Leadership through Cabinet Members and the Cabinet Member for Corporate Services.

- A Corporate Procurement Unit, which sits within the Corporate Services directorate.
- A professionally qualified Head of Procurement who oversees all procurement activities over £75,000, reporting to the Director for Corporate Services
- Clearly defined processes and procedures along with formal delegation of authority in respect of procurement activities embodied in Standing Orders for Contracts, the Procurement Code of Practice and Financial Regulations.
- All procurement over £10,000 to be managed via the Proactis Procurement electronic system. A fully transparent electronic procurement system which is in place for all procurement over £10,000 with built in procedures and controls which are aligned to predetermined authorization criteria. All procurements under £10,000 are devolved for efficiency of process: with common and repetitive spend being managed by pre-established arrangements which have been set up for such purposes.

Strategic Theme – Culture

Strategy – the Council will manage all third party influenceable spend (including Commissioning) via open, fair and transparent procurement, applying the principles of the UK Procurement regulations. The Wellbeing and Future Generations Act (Wales) 2015, Social Services Act and WG Public Procurement Policy where applicable. Officers will work within the established governance structures of the Council with a clear understanding of the rules and regulations and the standards expected. Our approach will be one of continuous improvement with the goal of influencing the real change that the Council aspires to bring to the lives of those living and working in the county borough. The Authority will apply a category approach based on directorate plans. The Authority’s Supply Positioning Model, Appendix A will be used to plot financial value of the requirement against market risk to assist in the decision making process whilst determining away forward.

Strategic Goals (what we want to achieve)	Steps already taken towards strategic goal	What success looks like/will be measured by?	How to be achieved	When
Officers will work within the principles of the Authority’s Customer Service Standard for all customers	This is a new Standard to be adopted across the service area.	A uniform approach to servicing customer needs evidenced by annual customer survey scores. Measurement: by corporate score card.	Officer training and development. Standards to be embedded into the procurement processes Results monitored, measured and reported to SMT. Annual reviews	Implement December 2017. Yearly reviews.
3rd Party spend will be procured via National, Regional and local arrangements. Collaboration will be embraced where appropriate. Alternative delivery models considered when appropriate.	5 year procurement plan in place.. Use of collaboration where applicable and benefits are deliverable to the Authority. Limited outsourcing and partnering approaches in place.	An agreed Gwent programme for procurement which supports National, Regional and Local procurement. Measurement by corporate score card Authority wide spend analysis tools which reports spend activity. With annual reviews. Develop collaborative working models with external (third party providers) where appropriate. To develop areas such as Information transparency – data sharing with providers. A understanding of collaborative models options to create financial	All Wales programme for procurement. WLGA Sourcing strategy. Collaboration – Developing new models for integrating and partnering with external contractors and service providers. Fit for purpose contracting models The right model for the right environment	Start 2017 with Annual reviews 2025 Phased approach required resource risk and knowledge risk to the type of contracting required,

		<p>benefits</p> <p>Explore alternative collaboration models such as Virtual joint venturing, labour and process fluidity, operating/collaboration model fluidity</p> <p>Measurement: within service improvement plan</p>		
Project risk profiling and mitigation through the development and use of Supplier Positioning models, Dunn and Bradstreet searches and other risk mitigation strategies	Discrete qualitative approaches such as supplier audits, risk registers, heat maps etc.	<p>A developed set of quantitative risk metrics such as Total Cost of Risk at the supply chain, category and supplier level.</p> <p>Total risk mitigation investment across the supply chain.</p> <p>The right price of risk transfer to suppliers, customers and third-parties such as insurance companies.</p> <p>Measurement: as part of service improvement plan and Key performance indicators</p>	<p>Manage procurement risk in a comprehensive, continuous manner with regular monitoring and assessment of high risk factors.</p> <p>Risk mitigation and support via engagement with financial services companies</p>	2025 – Need to understand this is a large change and will require a phased and control approach
We will be in touch with and promote the Management of Procurement in the age of social transparency	Traditional procurement process, electronic and paper based. Limited exposure to social media reactions	<p>A robust process and appropriate contracts documentation that mitigates against inappropriate social media and customer interactions</p> <p>Measurement: within service improvement plan</p>	<p>Effective communications and transparent processes. Policy/wording in the tendering process documentation prohibiting disclosure of information via social media or by other means</p>	phased approach to 2020
A modern, flexible and innovative procurement function staffed by procurement professionals with the knowledge, skills and expertise needed to challenge the status quo and support the business operations of the future across all disciplines	<p>Limited and reducing resource with limitations in knowledge of legal and finance so heavily reliant on others in these disciplines.</p> <p>Buying consortium dysfunctional and not value for money.</p> <p>Utilisation of the EU Directives Light Touch Regime (LTR), wider increased</p>	<p>A more rounded procurement capability with commercially skilled Procurement officers able to take balanced risk decisions that are supportive of change.</p> <p>Procurement specialists with broader financial toolset so that they are able to assess wider</p>	<p>Targeted development and support aligned to the business need.</p> <p>Training to include Self funding, direct borrowing, third party financing etc. Risk management and</p>	Phased approach to 2023

	<p>use of Dynamic Purchasing Systems (DPS), Soft market engagement, market engagement activities</p>	<p>organisational issues. Procurement and finance to understand the different ways of financing each aspect of the supply chain for large complex project. Longer term stability in contracts that are flexible in nature. Service user, community and market place consultation / research to redefine needs and create opportunities for delivering social value Measurement: through the service improvement plan and customer feed back</p>	<p>profiling. Full engagement with market and stakeholders prior to tendering to establish appropriate and proportionate contracts. Wider use of innovative procurement tools, such as LTR and DPS processes</p>	
<p>Where appropriate include Social Benefit Clauses in the Contract Terms and Conditions</p>	<p>Applied Community Benefits Clauses in relevant contracts (Core and Non Core).</p>	<p>The establishment of a recording and monitoring system that ensures that where social benefits have been included in contracts, they are being delivered. More locally focused procedures for below threshold contracting. Measurement: through the service improvement plan.</p>	<p>Establish and define appropriate clauses, KPIs and recording and monitoring system – Wider use of CMM to Contract Manage. Adapt procedures to allow for a minimum number of quotations to be requested from local businesses alongside others.</p> <p>Ensure application of Future Generations Act (Wales) is considered where appropriate.</p> <p>Review TOM's Methodology is embedded where appropriate.</p>	<p>2017 with Annual reviews to ensure social benefits remains fit for purpose and in line with Wellbeing and Future Generations Act (Wales) 2015.</p>

Strategic Theme – Economic

Strategy – The Council will leverage the value of its third party spend to bring greater social and economic regeneration to the communities we serve. We will work to identify opportunities for local businesses to work with us; we will explore every opportunity to bring innovation into our procurement processes and practices in order to achieve better outcomes and greater social value for all our customers.

Constant drive for best value, taking a whole life approach which will explore opportunities for circular and foundation economies.

A circular economy is an alternative to a traditional linear economy (make, use, dispose) in which we keep resources in use for as long as possible, extract the maximum value from them whilst in use, then recover and regenerate products and materials at the end of each service life. The Foundational Economy is a grand name for those business activities that we use every day and see all around us. It includes businesses like retail, care and food industries. We need to consider the wider application of such activities as mitigating effects of Brexit by establishing a secure basis of supply through our local economy.

Strategic Goals (what we want to achieve)	Steps already taken towards strategic goal	What success looks like/will be measured by?	How to be achieved	When
Build on our electronic systems to further streamline and improve processes and procedures to make the experience of doing business with the Council as efficient, easy and uncomplicated as possible. Our electronic procurement systems will be developed as dynamic information highways with information flowing into and out of the organisation, providing all parties with timely information that helps make our business interactions easier and more efficient. Development of the Council's Passport to Trade solution will form part of this process	Our eTendering system is already used for 60% of the Authority's tenders. A single corporate end to end eProcurement system has been in place for many years. All orders are sent to suppliers electronically and an increasing number of invoices are being received electronically. A fully integrated comprehensive Contracts Management system is in use. Use of Dynamic Purchasing Systems (DPS) and other methodologies such as Passport to Trade to reduce the burden on bidders through the use of technology.	Procurement requirements are proportionate and do not create unnecessary barriers to small or medium enterprises, social enterprises, and voluntary groups. Annual KPI's showing that the percentage of expenditure with local suppliers continues to reflect positively (subject to procurement activity in a given year aligning with the strengths of the local supply base). Robust system to manage and support full supply chain information flow. Innovative use and development of new technologies. Ease of use for suppliers. Measurement: through service improvement plan and key performance indicators reported to SMT via corporate scorecard	Through investment of time and resource and Closer working with our technology supply partners to embrace more agile and mobile solutions. Potential extension of the principles introduced through the DPS process to develop a Passport to Trade solution that minimises the need for suppliers to submit Pre Qualifying information in successive tender bids.	phased approach to 2025
Alongside the more traditional emphasis on cost	Implementation of the CCBC	% of spend with the local supply chains	Robust social and	By 2020

<p>and compliance in commercial decision making, we will more actively embrace wider factors such as economic development and social benefits.</p>	<p>Community Benefits Model. Provision of supplier relationship support to help local suppliers prepare for doing business with us. The Authority's commitment to developing and supporting the local economy. Other supportive tools such as Pre Qualification Questionnaires and evaluation methodologies. Forward Works Plans already in place. .</p>	<p>monitored and benchmarked on an annual basis. Suitable and simplified KPI's developed and tested to ensure that measures taken are cost effective for both suppliers and for the Council. All contracts will be future mapped to identify where social value and well-being goals lie giving a better understanding of our contracts on the Forward Work Plans to ear mark suitable contracts. Closer working links with commissioning. Measurement though the service improvement plan and corporate scorecard KPI's</p>	<p>economic methodologies that can evidence results. Commitment to the supply chain. Community Benefits Tool kit supporting the Community Benefits Model (WG Community Benefits Calculator where relevant). Contract Management. Future Mapping of Forward Work Plans. Evaluate and apply if appropriate. TOM's Methodology to ensure robust performance measure.</p>	
<p>Develop methodologies that demonstrate that the work undertaken by procurement creates and delivers greater value to the organisation when weighed against the financial cost of the function. Create a meaning of value which incorporates but is not dominated by savings.</p>	<p>Limited appreciation and reporting of value. Established directorate work programmes and annual feedback. Entrenched view of the value that the procurement discipline delivers</p>	<p>Organisational acceptance that 'value' is more than savings. A more balanced understanding of supply chain value. Development of outcome based on commissioning.</p>	<p>Through closer working with Finance and other senior stakeholders and providing evidence to support a redefined understanding of value outcome based contracting.</p>	<p>2018</p>
<p>Increased use of analytical expertise and data management to help achieve a target of 90% of spend with suppliers that we have contracts with.</p>	<p>Detailed knowledge of spend profile from Spike Cavell spend analysis. Currently developing more interactive spend analysis with Proactis tools. Access to current and historic spends analysis used to drive directorate plans which are in development Use of D&B financial assessment tool</p>	<p>Spend analysis and forward work programmes used to help identify significant areas of spend that needs to be better managed e.g. total value of "off contract" uncontrolled spend. Increased value of spend in the local economy - Categories of spend identified that could be bought locally. Promote this to the local supply chain and helped develop to be able to bid. Take a no purchase order, no payment approach.</p>	<p>Proactis spend analysis, Robotic technologies Understanding and Training. Proactis spend analysis reporting tools. Introduce clear process and procedures for raising</p>	<p>2025 Progressive approach required. Work to start 2018</p>

		<p>Automatic payment process.</p> <p>Measured though service improvement plan and corporate score card KPI's</p>	<p>orders.</p> <p>Utilize systems to bring about automatic/lean payment systems.</p>	
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Strategic Theme – Environment

Strategy - The Council will recognise environmental issues and address them through the procurement process and procedures. We will strive to develop the procurement function in a way that balances economic and social values in equal measure, embracing sustainable development and putting The Well-being and Future Generations (Wales) Act 2015 at the heart of all procurement decisions. The Well-being and Future Generations Act defines Sustainable Development in Wales as: "The process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the well-being goals". We will do all we can to help the Council in its efforts to balance the five ways of working needed for Public Bodies to achieve the seven well-being goals set out in the Act.

Strategic Goals (what we want to achieve)	Steps already taken towards strategic goal	What success looks like/will be measured by?	How to be achieved	When
Responsible business through procurement activity that works to help and not hinder the duty of care incumbent on us to be fair and considerate in all aspects of our business activities.	Adoption of the Ethical Employment in Supply Chains Code of Practice and commitment to The Future Generations Act.	Full implementation of the CCBC Ethical Employment in Supply Chains Code of Practice Action Plan. Tangible evidence that procurement activity is supportive of The Well-being and Future Generations (Wales) Act. Development of a circular economy as an alternative to the traditional linear economy of make, use and dispose. Measurement through service improvement plan	Include a copy of our Policy on Ethical Employment in all procurements along with appropriate supporting requirements in the tender documentation. Developing Pre-Qualification Questionnaires, Tender Quality criteria and Evaluation Methodologies that take account of the needs of Future Generations and the need to keep resources in use for as long as possible, extracting the maximum value from them whilst in use, then recovering and regenerating them at the end of each service life so that they go on to be of value in a different form.	2020
Develop an understanding and strengthen procurement capacity to realise the value of utilising sustainability strategies in the way we do	A standard pre tender Sustainable Risk Assessment process adopted and applied to all appropriate	A more robust Sustainability Risk Assessment incorporated into the pre-sourcing phase of procurements with a	Review of the standardised approach already adopted and the development of	2018

business	procurements.	greater emphasis on the need for sustainable alternatives to be specified within a broader definition of product requirements. Measured though service improvement plan	more bespoke Sustainable Risk Assessments that addresses the need to promote sustainable alternatives in procurements prior to being issued to the market.	
Understand and manage the impact of globalisation and the consequences for our supply chains	Adoption of Ethical Employment in Supply Chains CoP Action Plan.	Developed buyers that are supply chain/market specialists who understand their area of expertise and are capable of maximising or minimising the impacts that trading in globalised markets can have on our supply chains, Contract Managers capable to ensuring that throughout the life of a contract it delivers the outcomes intended. Measured though service improvement plan	Education and training in respect of implementation of the EESC CoP Action Plan and integration of the Code objectives into procurement standard documentation. Recognition of the need to actively review and manage contracts.	2020

Strategic Theme – Social

Strategy – The Council will use its procurement processes to foster positive social change where appropriate. The Council has adopted the Ethical Supply Chain Code of Practice and we will apply this to foster fair working conditions for all. In addition to this we will embrace all current and future legislation or political change brought about by the Brexit process that will assist in delivering more social value to our communities. The Well-being of Future Generations Act requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change. As required by the Act, we will work as far as we are able in the arena of public procurement to achieve all of the goals that we are able to influence, not just one or two.

Strategic Goals (what we want to achieve)	Steps already taken towards strategic goal	What success looks like/will be measured by?	How to be achieved	When
Adopt all elements of the Ethical Supply Chains Code of Practice, ensuring that in all our procurement activity that we meet the commitments documented in the Caerphilly Code of Practice Commitments 'Action Plan'.	Code of Practice adopted and Commitments Action Plan produced.	Full acceptance and implemented Ethical Supply Chains Action Plan - Possible new KPI - % of contracts that have social value outcomes included? Awarding of contracts taking into consideration Modern Slavery, Blacklisting, False Self Employment and Unfair use of zero hour contracts. Acknowledgement of the importance of the many outcomes required, not just best price. Measured through the service improvement plan	WG Ethical Supply Chains Policy, CCBC Action Plan. Development of tender documentation.	December 2018
Develop robust measures of social benefits to be able to track the success of outcomes achieved through procurement activities	We have been proactive in many areas including requirements for apprentices, local recruitment and training; packaging of contracts to make more attractive to local SMEs and VCSE's and pre-tender market engagement/ consultation. WG community Benefits tracker used. Limited or no measurement in place generally.	Recognition within the Council that social benefits have a positive impact on communities and are to be valued. Customer satisfaction evidenced through surveys and case studies. Reported and Measured through the service improvement plan	Robust policy, terms and conditions and effective monitoring to ensure delivery. Review TOM's Methodology and apply where applicable.	2018
Where appropriate, ask bidders to detail and	Some use of weighting to date	Bid evaluation model in use capable of	Development of	2018

demonstrate the social value outcomes and measures that they can deliver when providing the goods, services and works specified. Where appropriate, include weightings in the tender evaluation model to assess the social value offers submitted by bidders	where core benefits are concerned. Lack of enthusiasm in the organisation for this type of approach	quantifying and valuing that element of social value that is inherent in a suppliers tender bid. Greater acceptance of the value that more locally based trading arrangements can have on sustainability in our communities Measured through our service improvement plan	appropriate weighting models for use in the tender process and evaluations	
Business support to form an integral part of the procurement process	Steps taken towards the use of pre tender technical dialogue meetings with the supply chain and client departments to understand market trends and strategies.	Standardised collaborative approach from clients and the supply chain to evidence social value. Measured through service improvement plan and corporate score card KPI's	More intelligent and dynamic engagement with market participants	2018 with annual review

Appendix A

Strategic Critical

Strategic Security

High supply risk

Strategic Security might be goods obtained from a monopoly supplier or items with a very tight or 'bespoke' specification. These items are critical to the operation, but are low in cost. For most councils this will include materials and parts used in property maintenance governed by old specifications and also some contract services such as specialist teachers and carers where there is a very high specification but a low demand.

Strategic Critical are categories that are high cost and either have a specialist nature or are sourced from a difficult market in which there are relatively few supplies or suppliers. These are critical to the overall profitability, competitiveness or capability of an organisation to deliver services. In most councils this will include a significant amount of spend on waste and outsourcing and social care, where specifications are tight and there is a supply shortage. From that base data, Caerphilly selected the categories that they felt were Strategic Critical to them. These are the categories that are of strategic importance to Caerphilly and have a high potential cost of replacement should they no longer be available. Caerphilly added a number of categories that did not appear in this quartile in the exercise carried out in the 10 LA's in the South East. These were included on that bases that they were of strategic importance due to the potential risk to health and reputation (e.g. food & drink) in the event of a supply chain problem.

Low cost

Supply Positioning Model (Kraljic)

High cost

Tactical Acquisition categories will be of low value and with a low business exposure because they have no special quality, safety, reliability or environmental implications and there are probably many suppliers in the market able to meet the demand. For the most authorities, this would include stationery items, IT consumables and some catering supplies.

Tactical Profit categories are of relatively high cost but where there are no quality, safety, reliability or environmental issues and where there are likely to be plenty of suppliers. Purchases here are unlikely to contribute directly to the provision of services and often include items such as vehicles, contract services, IT equipment and utilities.

Tactical Acquisition

Low supply risk

Tactical Profit

Appendix B - Procurement Strategy Key Performance Indicators (KPI's)

The Key Performance Indicators (KPIs) listed below will be used to demonstrate how effectively the Council is achieving against the Strategic Goals. The KPIs will be subject to refinement by the Head of Procurement during the term of the Strategy.

1. Demonstrate that the Principals of the Customer Service Standards are being met via Annual Customer Surveys
2. % of Annual Corporate Spend with Suppliers based:
 - Locally, Caerphilly Borough;
 - Regionally, Cardiff Capital Region City Deal;
 - within Wales.
3. % Corporate Spend Channelled through Collaborative Arrangements
4. % Contracts Tendered Electronically across the Council
5. Spend via Purchase Card
6. e-Invoicing – No. of Suppliers participating
7. e-Invoicing – Value of Transactions
8. No. Contracts that include Community Benefits and/or Social Value Clauses
 - Core Clauses in Contracts, Measured via National Themes, Outcomes and Measurers (TOMs) Framework (or equivalent);
 - Non-Core Clauses.
9. No. Suppliers signed up to the Welsh Government Code of Practice, Ethical Employment in Supply Chains
10. % of PDR's undertaken in Procurement