



# Executive Summary

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## Introduction

A professional and effective procurement function is essential to demonstrate Value for Money for the public purse and maximise use of resources available to the frontline. The climate of ever reducing resources demands a strategic and medium term perspective on procurement with standardisation, aggregation commitment and collaboration as key enablers in driving out greater value from goods and services consumed in the delivery of policing services. This procurement strategy will ensure that procurement activities are aligned to the corporate objectives of the three Southern Wales forces and support the delivery of the objectives of the Corporations Sole in Gwent, Dyfed and South Wales Police.

## Where are we now

The three Southern Wales Forces have been operating under a single strategic lead for procurement since 2012 and have made significant progress in the collaborative procurement agenda. Currently 65% of addressable non-pay spend across the 3 forces is spent through collaborative arrangements. The McClelland Review of Procurement in Wales states 50% as a benchmark. This puts the police as one of the best performing sectors in Wales. Significant procurement related cost savings across the 3 forces - £2.23 million procurement related savings in 2014/15. The forces implemented the Value Wales suite of e-Procurement tools at the earliest opportunity with the result that e-Procurement is now fully embedded into methods of working. The forces are continuing to develop e-trading and to overcome the difficulties of implementing e-invoicing. E-procurement has resulted in greater transparency, increased opportunities for potential suppliers, reduced bureaucracy and better value for money for the forces. The three southern Wales forces have adopted common terms and conditions which make it simpler for suppliers to do business with the police service in Wales, especially in collaborative procurements. North Wales Police, are working towards adopting this collaborative strategy in the future. In the interim, where practical they will adopt the principles of this strategy.

## Why can't we stay here?

The introduction of Police and Crime Commissioners and revised police governance necessitates alternative sourcing requirements and commissioning is a new enabler in the delivery of policing plans. Austerity is set to with us for a decade and the pressure to deliver more value from each pound of police funding is increasing year on year particularly on non-pay budgets. Changes in EU Procurement Policy and UK Government Policy require legislative compliance on procurement procedures. The Home Office collaborative procurement and Welsh Government collaborative procurement agenda require effective participation on collective buying power and as a non- devolved service we need to be maximise sourcing opportunities from both. In the absence of national contracts and frameworks the three forces can still standardise and aggregate to deliver better value but this requires a convergence methodology and guiding principles.

## Where do we need to be?

**The vision for Collaborative Procurement is to secure value for money for all goods and services procured for the police services of Dyfed-Powys, Gwent and South Wales, using principles of whole life and MEAT (Most Economically Advantageous Tender).**

Success will be demonstrated by the following:

1. Goods, services and works procured shall be fit for purpose and satisfy operational needs to improve public service whilst offering value for money.
2. Police procurement seeks to benefit local enterprise and secure wider social benefits within VFM obligations and objectives.
3. The collaborative procurement unit is enabled to address commissioning requirement of Police and Crime Commissioners.
4. The procurement process uses full digital capabilities to reduce bureaucracy and enhance efficiency.

5. The collaborative procurement function is effective, responsive and has a culture that is respected by clients and suppliers.
6. Procurement is ethical, responsible and respects the environment and the sustainability agenda.
7. Collaborative approach to procurement is the default state. The joint unit aligns individual force requirements, wherever possible, through the adoption of regional sourcing strategies, ensuring the most effective solution is adopted.
8. The joint unit considers wider collaborative opportunities with other local partners, where these provide value for money.
9. All procurement activity is focussed on the drive for cashable savings, being achieved through harmonisation of specifications and rationalisation of suppliers.
10. Where a procurement route is the subject of a central Government mandate for a particular good or service the forces will utilise that route, where it provides value for money, and challenge it where value for money is not achieved.
11. The Strategic Lead is responsible and held to account for co-ordinating a programme of work which complements and supports the National Policing Procurement Strategies of the Strategic Police Procurement Board and the National Procurement Service Wales. The lead provides procurement advice to each Corporation Sole via their respective statutory officers.
12. There is an effective governance and performance framework in place that satisfies stakeholders

### How will we get there?

The Strategic objectives for the Joint Procurement Unit are summarised below and these will be time lined and resourced into an action plan with clear milestones and performance measures to ensure effective delivery.

1. Facilitate collaborative procurement
2. Identify the most effective Route to Market
3. Ensure effective legislative and customer compliance on procurement activities
4. Develop Client Provider Partnerships on Specifications
5. Develop E-Commerce Capabilities
6. Establish Effective Contract Management performance and enforcement
7. Establish an effective leadership and governance framework
8. Ethical Responsible procurement

This collaborative procurement strategy builds on the good work delivered to date and recognises the drivers for change and provides a route through the complex legislative and stakeholder requirements. The Joint Procurement Unit aims to deliver intelligent procurement - a proportionate, innovative approach, taking account of the bigger picture with regard to both economic and social impact. We will seek to deliver excellence, and get the best from suppliers. We will improve procurement efficiency and provide clear policy guidance and best practice.

The development of a robust procurement strategy facilitates the goal of securing best value for money. We are facing a great financial challenge, but also an opportunity. Collaboration in procurement is improving efficiency, making the best use of resource and supports rigorous value for money plans.

How far we can deliver the potential for greater efficiency will be dependent on maintaining the impetus to deliver better procurement within the forces, continued support from Chief Officers and Police and Crime Commissioners, especially in relation to standardisation of specifications and further development of the procurement unit across the three southern Wales Forces, including the alignment of business processes.

This strategy and the Delivery Plan will be monitored on an ongoing basis to ensure the Joint Procurement Function continues to satisfy the objectives and goals of the three Southern Wales Police Services.

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# 1.0 Introduction

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Professional procurement is the process of acquiring goods, services and works (from third parties, including internal and external providers) that delivers value for money. Effective delivery of procurement potential across the forces will only be achieved through the active participation of all those who control budgets and authorise expenditure as well as those with the appropriate technical expertise.

The police forces of Dyfed-Powys, Gwent and South Wales currently spend approximately **£130 million per annum** on a diverse range of requirements such as computer equipment, police cars, medical services, facilities management and some unique policing only requirements. To date, the procurement units have operated under local procurement strategies, although there has been a collaborative procurement structure since 2012.

The purpose of this collaborative strategy is to set a clear framework for all procurement activity across the three forces and guide procurement staff who are working effectively as a joint procurement unit under a single Strategic Lead.

A key factor in delivering value for money from procurement, is to undertake evaluations using whole life costs and benefits which includes:

- the initial concept and definition of business needs,
- option appraisal,
- management of contracts,
- through to the end of the useful life of an asset or end of a services contract in the most effective manner.

Best practice on sustainable procurement ensures that benefits are generated not only to the organisation, but also to society and the economy, whilst minimising damage to the environment. There are several important reasons why the forces must ensure effective procurement processes are undertaken:

- The forces deliver a wide range of services that have a fundamental impact on the lives of communities.
- We have to be sure that we are buying goods and services that enhance, not detract from, that quality of life.
  - We have to be sure who we are trading with, and be convinced that by trading with that company any risks to itself and its communities are reduced.
  - The forces have a particular obligation to ensure that all procurement processes are open, transparent and give equal treatment to everyone.
  - There is also a duty to promote free and fair competition in the market.
  - The forces are spending public money and have a legal and moral responsibility to tax payers to ensure that it is spent as responsibly as possible.

**This strategy provides a context for how goods and services will be procured and clearly communicates the vision for collaborative procurement to all key stakeholders, ensuring progress is transparent and measurable**

## 2.0 Where Are We Now?

### Local Procurement

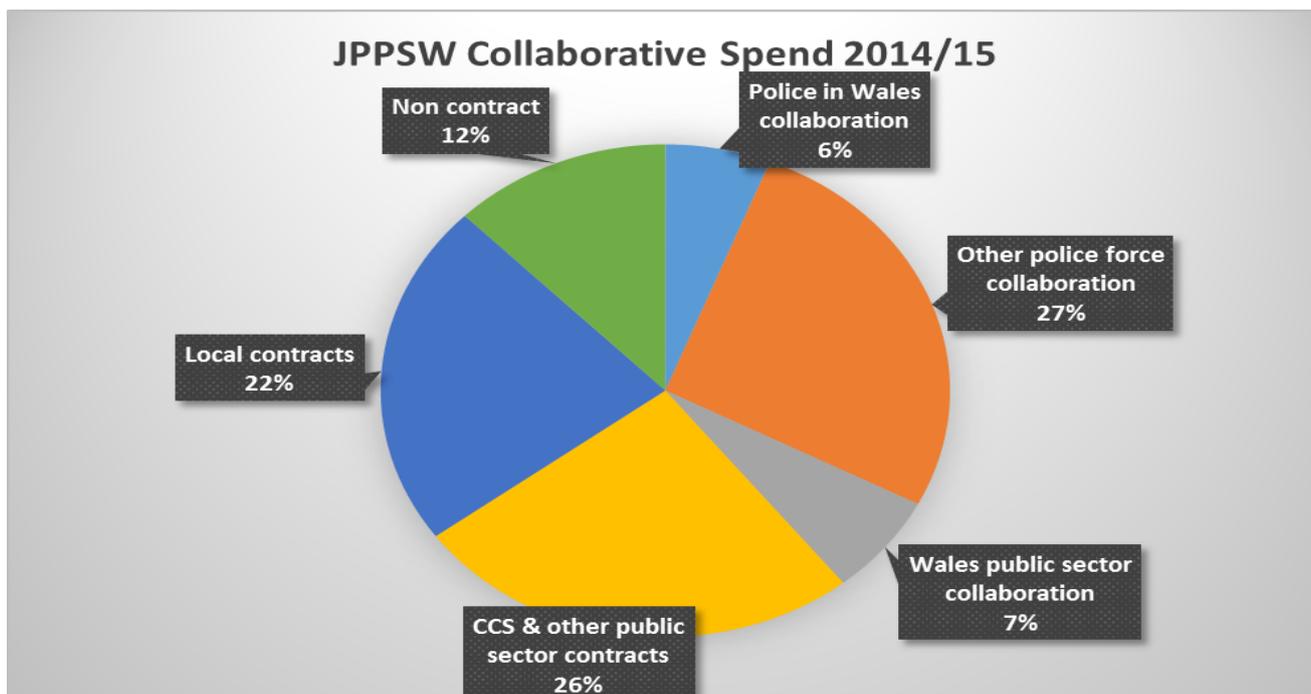
It is important to recognise that collaborative procurement and especially aggregation of demand cannot and should not apply to all forms of procurement, but be directed more to common and repetitive spend, either within sectors or across all sectors.

All areas of procurement spending should have some degree of professional procurement involvement. By maintaining procurement staff based within each of the three southern Wales forces ensures that skilled resources are available locally to advise individual organisations. Without this, clients are prone to 'maverick buying'. John McClelland's review of Welsh public procurement confirms a correlation between organisations having adequate professional procurement staffing and how well local procurement is conducted.

### Collaborative Procurement

The chart below illustrates the collaboration landscape for the joint police procurement unit in southern Wales at the end of the financial year 2014/15.

- 64.9 % of addressable non-pay spend across the 3 forces is spent through collaborative arrangements.
- 6% of the collaboration is across 2, 3 or 4 police forces in Wales;
- 27% is collaborating with other national police forces; – contracts or frameworks let by police forces or the Home Office, including collaborative contracts let by the Welsh forces
- 7% with the Welsh public sector – frameworks let by National Procurement Service, Value Wales, and other Welsh public sector organisations and
- 26% with the wider public sector. this includes usage of Crown Commercial Service frameworks, previous OGC or Buying Solutions offerings, as well as frameworks offered by other public buying organisations (PBOs) such as ESPO (Eastern Shires purchasing Organisation) and YPO (Yorkshire Purchasing Organisation).



The opportunities for collaboration are numerous and some collaborative options deliver significantly better value than others and due consideration is required in the sourcing strategy. For example, purchasing from a framework which is open to a very large number of organisations, let without any commitment from the named parties is unlikely to deliver the value which can be realised by a specific group of organisations committing their volume under a contract or framework.

Collaboration with the NPS is expected to deliver good value because there are 73 organisations in Wales who have committed to use the procurement arrangements and bidders are made aware of the commitment prior to submitting their tender bids.

Equally, national police collaboration is an effective procurement route when a commitment is made, for example such as the Vehicle Purchase framework.

To date, regionally run mini competitions have delivered excellent results. However, in 2015 the police service will run mini competitions across a far high number of forces based on agreed, standard specifications for a significant number of vehicles. It is expected that this wider collaboration, co-ordinated nationally, will deliver even better results than under the previous framework.

### Electronic Procurement

The forces implemented the Value Wales suite of e-Procurement tools at the earliest opportunity and e-Procurement is now fully embedded into methods of working.

The e-procurement tools include:

- Advertising of contract opportunities via an online portal
- E-tendering
- Procurement Cards

E-procurement has resulted in greater transparency, increased opportunities for potential suppliers, reduced bureaucracy and better value for money for the forces.

In Wales, forces also benefit from an annual rebate of 1% of total Welsh Procurement Card

expenditure across the public sector. The use of cards, principally used at the centre for repeat purchases, low value purchases and to decrease the number of new suppliers set up for one off purchases. Faster payments bring a benefit to our suppliers, especially to SMEs.

All contracting authorities must put in place systems to allow advertising of opportunities, communication and exchange of documents electronically as a minimum. This must be fully in place by 18<sup>th</sup> October, 2018. **This is mandated by the Public Contract Regulations 2015**



### E-trading

South Wales and Dyfed-Powys have implemented e-trading through the implementation of the National Police Procurement Hub (NPPH). Gwent are using the catalogues for sourcing and plan to integrate with the NPPH when a new finance and procurement ERP system is implemented in Spring 2016.

The three forces share a joint resource to manage the Hub, catalogues and suppliers. The NPPH is an "Amazon-style" electronic marketplace that provides the police service in England and Wales with the ability to buy goods and services from approved contracts. It links purchase to payment, without having to use paper orders and invoices. The Hub can be linked to most existing force finance and ERP systems.

The NPPH will provide management information on expenditure, compliance with national and

regional contracts and real time data to inform future spending decisions.

The Home Office has access to all force expenditure data via the NPPH. This will allow further aggregation and standardisation opportunities to be identified across the police sector.

### **Use of the SQuID (Supplier Qualification Information Database)**

To reduce the barriers in bidding for public sector contracts for SMEs, micro businesses and third sector suppliers, the forces have adopted the Welsh Government's Supplier Qualification Information Data Base (SQuID) process. Use of the SQuID provides increased efficiency for both suppliers and buyers, greater standardisation increased transparency of the selection process and an open, fair and transparent process for all.

The SQuID tool is well established but to further streamline processes, Value Wales have developed the tool into a 'SQuIZARD' so that an electronic wizard tool is now available as an embedded tool within the etender solution used by the forces. The SQuID questions have been modified to align with the Qualification document mandated by the Lord Yong Reforms in the Public Contract Regulations 2015.

### **BlueLight Procurement Database (BLPD)**

This database is used across the 43 police forces to store information on contracts awarded. It also assists with contract planning, aids the sharing of information and provides information to the public about current contracts. The Freedom of Information tool provides a lookup facility for the list of current contracts for BLPD member organisations and therefore fulfils some of the Transparency agenda requirements.

### **Common Standard Terms and Conditions**

The three southern Wales forces have adopted common terms and conditions which make it simpler for suppliers to do business with the police service in Wales, especially in collaborative procurements.

### **Notable successes of Joint Police Procurement Southern Wales (JPPSW) since 2012 include:**

- **An increase of over 12% in the collaborative procurement arrangements** of the three forces from 52.9% (March 2011) to 64.9% (March 2015). The medium term target for Procurement set in 2014/15 is 66% of non-pay spend. The McClelland Review of Procurement in Wales states 50% as a benchmark. This puts the police as one of the best performing sectors in Wales.

- Significant procurement related cost savings across the 3 forces - **£2.23 million procurement related savings for the period 2014/15.**

- Development of e-procurement. **75% of all awards are now won by smaller contractors, compared to 30% before the introduction of the SQuID.**

- Sharing of resources – for example, all procurements for the regional units such as WECTU, TARIAN, ROCU, Joint Scientific Investigation Unit, Joint Firearms Unit, Joint Legal Services are usually carried out by South Wales; however, procurements for collaborative units can be carried out by any of the resources in the collaborative unit. This was illustrated in the case of the NATO conference, where Gwent as the host force was assisted by South Wales with various procurements to share the load and provide strategic advice.

- Removal of duplicated procurement exercises leading to more efficient and effective use of resources and capacity across a wider range of goods and services.

- North Wales Police principally collaborate with the North West regional forces but North Wales participate in the All Wales Procurement meeting, chaired by Chief Officer Lead for Procurement (currently Chief Financial Officer for South Wales Police). Collaborative opportunities across Wales are considered and progressed where suitable.

- Development of Common Procurement Techniques & Practices across the forces, making the ability to do business with the police service in Wales simpler for suppliers.

- 2 forces have adopted common tender documents, with the third force considering adopting the documents.

- 2 forces have adopted standard short form terms and conditions for low value/low risk contracts
- The adoption of a joint Sustainable Procurement Policy (Appendix B). The unit has also received support from Ricardo AEA on behalf of WRAP Cymru, to assist with the building in of sustainability criteria into specifications where appropriate.



## 3.0 Why Can't We Stay Here?

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The policing and procurement operating environment is evolving rapidly. There are a number of key drivers that need to be addressed in a new procurement operating model as follows:

1. Police and Crime Commissioner requirements
2. Austerity
3. EU Procurement Policy
4. UK Government Policy
5. Home Office Collaborative Procurement
6. Welsh Government Collaborative Procurement Agenda
7. Police Collaborative Procurement
8. Local Police Collaborative Procurement

### 1. Police and Crime Commissioner Requirements

- Police and Crime Reduction Plans include partnership working and commissioning of services
- Need to support small and local business to benefit communities within the policing area without compromising VFM obligations.
- Securing living wage and ethical employment standards.
- Securing wider social benefits
- Ensuring Sustainable procurement that promotes responsible use of scarce resources.

### 2. Austerity

- The Police Service is facing the toughest financial settlements in a generation lasting a decade, and requires the highest levels of savings possible from goods and services procured.
- Failure to maximise savings from goods and services will increase the savings required from pay budgets and as the police service is people based this will ultimately impact on the level and quality of service to the public.

### 3. EU Procurement Policy

- All public sector procurement is subject to the application of the Public Contracts Regulations. These Regulations permit contracts to be awarded on the basis of lowest prices or most economically advantageous tender (MEAT).

- Following a period of consultation, **the UK Government has transposed the 2014 EU Public Sector Procurement Directive into UK law.** The Public Contracts Regulations (PCR) 2015 which came into force on 26<sup>th</sup> February 2015 implement the EU Directive and a number of new reforms, recommended by Lord Young of Gifford, to make public procurement more accessible to small businesses. These proposals that modernise the public procurement legislative framework include:

- a simplification of the rules
- less red tape
- the mandation of electronic procurement
- provision for increased dialogue with suppliers
- the inclusion of social considerations in award criterion and performance conditions
- new provisions to allow more focus on securing the right supplier and the best tender
- a requirement to produce a disclosable start to finish record of the procurement

### 4. UK Government Policy

- The standards which apply to managing and delivering public resources run right across the UK are: honesty • fairness • impartiality • integrity • openness • transparency • accountability • objectivity • accuracy • reliability • proportionality
- These standards must be carried out in the spirit of, as well as to the letter

of the law; in the public interest; to high ethical standards; achieving value for money

- There is a growing demand for transparency and challenge of process and therefore the police procurement service needs to be responsive to public scrutiny.

## 5 Home Office Collaborative Procurement

- Since 2011, the Home Office has conducted two consultations, Obtaining Better Value for Money for the Police Service, and proposals to mandate the use of certain national procurement arrangements for forces. To date, this has resulted in mandated arrangements for three categories of goods but the mandation expired with all the frameworks in early 2015. It is possible that further frameworks will be mandated in the future.
- The Welsh police forces joint response to a second consultation about mandation supported the proposals but highlighted the need to recognise the unique environment that exists within Wales, with opportunities to collaborate with the Welsh public sector. Similarly, the potential impact of national agreements on Welsh SMEs was highlighted.

### **Strategic Police Procurement Board (SPPB)**

- Senior stakeholders on the SPPB include representatives from the Home Office, Cabinet Office and Commissioners from Lancashire and Cheshire collectively representing the views of Police and Crime Commissioners. The Chief Executive for Gwent Police and the Chief Financial Officer for South Wales Police both sit on the SPPB. Procurement professionals represent the police procurement community and present recommendations from the National Police Procurement Executive to the SPPB. Category

managers attend the SPPB to discuss their categories when required.

- The Board is responsible for developing and agreeing a National Policing Procurement Strategy that meets the needs of all the stakeholders within the policing community. The Board provide a governance structure to ensure that national category strategies are prioritised and agreed, to enable delivery of VFM. The Board's remit covers all categories of third party spend (approximately £2.1bn), putting VFM at the heart of the decision making process.
- The SPPB allows Commissioners to:
  - Aggregate their spend across the police landscape and wider public sector that will create greater competition and deliver better prices from suppliers
  - Obtain access to Category/Market expertise.
  - Engage and shape the Cabinet Office Growth Agenda which is seeking to utilise and provide more business opportunities to UK companies and particularly Small Medium sized Enterprises.
  - Reduce the burden on their organisation (both in terms of cost and time) of having to run procurements by adopting national/regional approved procurement strategies.
  - Benefit from Strategic Supplier Management by dealing with strategic suppliers as a single and more powerful entity, not on a Force by Force basis.
  - Benchmark their Force with other best in breed public sector bodies to ensure and demonstrate that VFM is being optimised within their Force.
  - Engage and shape the Cabinet Office Growth Agenda which is seeking to utilise and provide more business opportunities to UK

companies and particularly Small Medium sized Enterprises.

- Work with the Crown Commercial Service to ensure that Forces can benefit from access to the best deals within public sector

#### **National Police Procurement Executive (NPPE)**

- The NPPE implements the strategic priorities set by the SPPB. The group meets bi-monthly and includes procurement professionals from across the service and Home Office Commercial representatives. The Strategic Procurement Lead for the Wales forces plays an active role in the NPPE to support the Welsh forces.

## **6 Welsh Government Collaborative Procurement**

- The Value Wales division of Welsh Government exists to improve the practice of public procurement and to help public sector organisations secure better outcomes from the annual £4.3 billion procurement expenditure. Value Wales works with public sector organisations in Wales to shape public procurement policy, to support the delivery of electronic procurement tools, to improve procurement capability at an organisational level and to support public service reform through the creation of collaborative services such as the National Procurement Service (NPS), launched in November 2013. It also seeks to make it easier for businesses to work with the public sector.

#### **Adoption of the Principles of the Welsh Public Procurement Policy**

- Whilst the police service is not devolved, the southern Wales forces are actively engaged in collaborative procurement initiatives with the Welsh public sector. The Strategic Lead represents the forces in support of the National Procurement Service and

South Wales Chief Financial Officer (CFO) sits on both the Public Sector Leadership Group (PSLG) and National Procurement Service Board.

- The recently published Public Contract Regulations 2015 Directives will help to deliver the Welsh Government's wider policy objectives and strengthen adoption of the Wales Procurement Policy Statement (WPPS).

The Welsh forces are supportive of the WPPS and have adopted and implemented each of its strands. The detail of actions taken to support each strand is shown in Appendix A. In June, 2015, the Minister for Finance & Government Business launched a refreshed Wales Procurement Policy Statement to build on the success to date, strengthening the principles public bodies are expected to adopt and adding in a tenth principle relating to Policy Development and Implementation.

- Expenditure won by Wales based suppliers has risen from 35% in 2004 to 55% in recent years, suggesting that the application of tools like the SQuID and guidance on joint bidding are helping more local businesses to access and win work. The new Directive provides an opportunity to break down more barriers for business and develop practices that continue to standardise and simplify processes and encourage Third sector organisations to engage with the public sector.

#### **National Procurement Service (Wales)**

- In Wales, one third of the public sector budget is spent on external goods and services – some £4.3 billion per year. At least 20% of this is common across organisations and is bought year on year. Collaboration exists across Wales in many areas. The 2010 review 'Buying Smarter in Tougher Times' recommended that contracts for common and repetitive spend in

Wales should be set up on a 'Once for Wales' basis.

- A National Procurement Service (NPS) model has delivered significant benefits in other devolved governments within the United Kingdom. It is a proven approach to maximising procurement benefits and is a model used in the majority of global private sector businesses.
- Whilst the police service is not devolved, the forces have demonstrated that the benefits of collaborating with the Welsh public sector can deliver excellent value for money, potential for local social and economic benefits for our communities and better access to business for local suppliers. The four Welsh forces have actively engaged in the NPS project and made a five year commitment to join the NPS from late 2013, to collaborate on common and repetitive spend 'once for Wales'.
- The NPS has a target to deliver up to £25m in savings once fully operational, which is expected to be in 2016/17.
- The NPS acknowledges that that the police service can be committed to purchasing certain goods and services under nationally mandated contracts or able to achieve best value in certain categories by collaborating with the police service. This is the case with vehicle related purchases and such exceptions will be justified to the NPS Board.

## **7 Regional Collaboration**

- There are at least nine collaborative procurement units across the police forces in England and Wales. There are strong national standardisation and convergence agendas, and the three southern Wales Forces have responded by establishing a joint procurement unit, at the same time maintaining a presence in each of the forces to meet local requirements and be easily accessible to client departments.

- Collaboration is not a new way of working and is viewed very much as 'business as usual' but the formal arrangement of a joint unit has aided the embedding of collaboration into working practices.
- In addition, the three forces work with other public sector organisations in Wales and with neighbouring regions such as the South West, collaborating with whomever it makes commercial sense to do so. Collaboration takes many forms and the method adopted is dictated by the option that will deliver best value for the forces involved. This may be two, three or four force collaboration within Wales but if a national, regional or other public sector framework or contract is available, meets the forces' specification and offers competitive pricing, the forces will take advantage of this procurement route.
- The virtual unit is led by a Strategic Procurement Lead, based at SWP but driving collaborative procurement across the three forces, working closely with the Heads of Procurement in Gwent and Dyfed-Powys to deliver best value for the public purse.
- In May 2015, the inaugural meeting of a three force Strategic Commissioning Group for Uniform and Operational Equipment took place. This group will work to approve standardisation and aggregation to support interoperability and the Strategic Policing Requirement. Initially this group, with a joint three force bronze group below it, will examine uniform but in the future, will consider operational equipment.

## **8 Local Police Procurement**

Whilst it is recognised that the collaborative process provides the most effective route to market, there remain circumstances which necessitate local arrangements due to absence of

frameworks or to meet operational exigencies, the procurement function will need to ensure:

- Value for Money continues to be demonstrated.
- The rationale for local sourcing is properly documented and rationale
- Develop plans to minimise reoccurrence if possible
- Work with client departments to migrate towards longer term contractual position.



## 4.0 Where Do We Want To Be?

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### Collaborative Procurement Vision

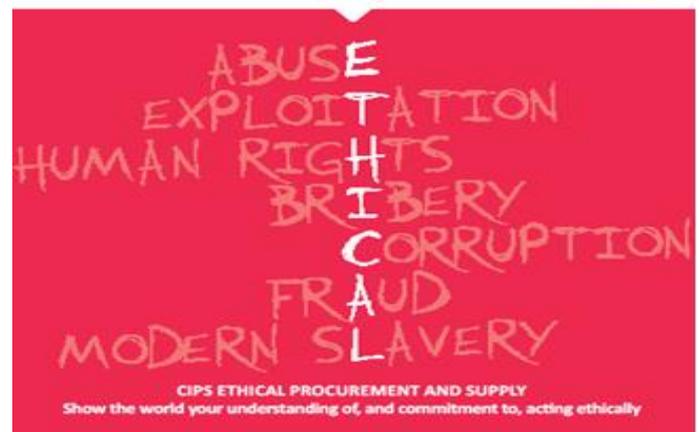
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- The procurement process uses full digital capabilities to reduce bureaucracy and enhance efficiency.
- The collaborative procurement function is effective, responsive and has a culture that is respected by clients and suppliers
- Procurement is ethical, responsible and respects the environment and the sustainability agenda.
- Collaborative approach to procurement is the default state. The joint unit aligns individual force requirements, wherever possible, through the adoption of regional sourcing strategies, ensuring the most effective solution is adopted.
- The joint unit considers wider collaborative opportunities with other local partners, where these provide value for money.
- All procurement activity is focussed on the drive for cashable savings, being achieved

through harmonisation of specifications and rationalisation of suppliers.

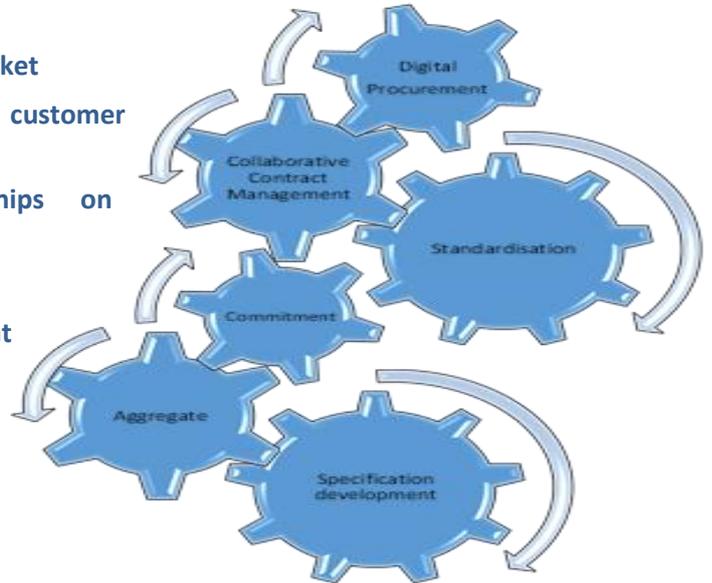
- Where a procurement route is the subject of a central Government mandate for a particular good or service the forces will utilise that route, where it provides value for money, and challenge it where value for money is not achieved.
- The Strategic Lead is responsible and held to account for co-ordinating a programme of work which complements and supports the National Policing Procurement Strategies of the Strategic Police Procurement Board and the National Procurement Service Wales. The lead provides high level procurement advice to each Corporation Sole via their respective statutory officers.
- There is an effective governance and performance framework in place that satisfies stakeholders' needs.



## 5.0 How Will We Get There?

### Strategic Objectives for the Joint Procurement Unit are:

1. Facilitate Collaborative Procurement
2. Identify the most effective Route to Market
3. Ensure effective legislative and customer compliance on procurement activities
4. Develop Client Provider Partnerships on Specifications
5. Develop E-Commerce Capabilities
6. Establish Effective Contract Management performance and enforcement
7. Establish an effective leadership and governance framework
8. Ethical Responsible procurement



#### 1. Facilitate Collaborative Procurement

- Collaborative procurement will be the default position and opportunities for additional and best value collaboration will continue to be progressed.
- By applying the fundamental principles of standardisation, aggregation, commitment, collaborative contract management and digital procurement a successful strategy will be realised.
- Analysis of our expenditure strategically to identify opportunities for collaboration or combined requirements to deliver improved value for money.
- Will collaborate with police forces outside the region, and also with non-police partners, when this is in the interests of the efficiency or effectiveness of one or more of the relevant police forces.
- Will pro-actively engage with the national procurement agenda with the Home Office value for money programme, with representation at the National Police Procurement Executive.
- Will support the implementation of the National Police Procurement Hub (NPPH) for transactional procurement through the appointment of a shared resource to bring suppliers on-board, implement and maintain catalogues and work with in house teams responsible for placing orders.
- Will commit to the National Procurement Service (NPS) in Wales, playing an active role in the Delivery Group and Customer Focus Groups in order to influence specifications, shape tender construction and deliver best value for the Welsh public sector
- Will actively engage with Value Wales, Welsh Government on the continuous development and adoption of e-procurement tools, with representation on the eProcurement Service Board.
- Will actively engage and support the national and wider collaborative initiatives across public sector procurement, where such initiatives are in the best overall interests of policing in Wales.

## 2. Identify The Most Effective Route To Market

- Drive business benefit and competition when evaluating bids, to award contracts on the most economically advantageous criteria, with due consideration for the total lifecycle cost
- To ensure that the procurement process is clear, transparent, proportionate and focused on the principles of competition and achieving value for money.
- To support policing through reducing cost. Savings to be delivered year on year to support investment in frontline activities.
- Highlight against the SPPB and NPS collaborative pipelines where the forces intend to collaborate with each group of partners.
- Structure tender opportunities to ensure that local suppliers have the opportunity to bid by allowing geographical awards of business, where practical and cost effective.
- Adopt a Lean approach for tendering. Where appropriate, to carry out pre-procurement market engagement with a range of prospective suppliers, including SMEs, to review the market, test our thinking and generate ideas for innovation as part of the development of outcome-based specifications.
- Measure performance against the Government's Lean Sourcing 'standard solution' methodology for OJEU procurement turnaround times – completion of procurements in 120 working days.
- Minimise the number of single tender requests approved to ensure value for money can be demonstrated in the market.

## 3. Ensure effective legislative and customer compliance on procurement activities

- Compliance with all relevant legislation, aligning processes with the Public Contracts Regulations 2015 and a number of new reforms,

recommended by Lord Young of Graffham, to make public procurement more accessible to small businesses.

- **Adopt the 10 Principles of the Welsh Public Procurement Statement:**

1. **Strategic** - Procurement should be recognised and managed as a strategic corporate function that organises and understands expenditure; influencing early planning and service design and involved in decision making to support delivery of overarching objectives
2. **Professionally resourced** procurement expenditure should be subject to an appropriate level of professional involvement and influence, adopting the initial benchmark of a minimum of one procurement professional per £10m of expenditure across the wider public sector.
3. **Economic, Social and Environmental Impact** - Value for Money should be considered as the optimum combination of whole-of-life costs in terms of not only generating efficiency savings and good quality outcomes for the organisation, but also benefit to society and the economy, whilst minimising damage to the environment.
4. **Community Benefits** – delivery of added value through Community Benefits policy must be an integral consideration in procurement.
5. **Open, accessible competition** - public bodies should adopt risk based, proportionate approaches to procurement to ensure that contract opportunities are open to all and smaller, local suppliers are not precluded from winning contracts individually, as consortia, or through roles within the supply chain.
6. **Simplified Standard Processes** – procurement processes should be

open and transparent and based on standard approaches and use of common systems that appropriately minimise complexity, cost, timescales and requirements for suppliers.

7. **Collaboration** – areas of common expenditure should be addressed collectively using standardised approaches and specifications managed by the National Procurement Service (NPS) to reduce duplication, to get the best response from the market, to embed the principles of this Policy Statement for the benefit of Wales; and to share resources and expertise.
8. **Supplier Engagement and Innovation** – dialogue with suppliers should be improved to help get the best from the market place, to inform and educate suppliers, and to deliver optimum value for money.
9. **Policy Development and Implementation** – deployment of policy which supports the achievement of the seven well-being goals for Wales as set out in the Well-being of Future Generations (Wales) Act (2015)
10. **Measurement and Impact** – in accordance with good management practice, procurement performance and outcomes should be monitored to support continuous improvement, and examples of good and poor practice openly shared.

#### 4. Develop Client Provider Partnerships on Specifications

- Develop strong working relationships with key stakeholders
- Encourage stakeholders to agree and adopt common standards and specifications, whilst ensuring that the goods and services purchased are fit for purpose and satisfy operational requirements.

- To provide output specifications wherever possible, where it will be the responsibility of the suppliers to decide as to the best and most cost effective inputs required to meet that requirement. This will ensure that all options are considered and will encourage innovation from the supply market.

#### 5. Develop E-Commerce Capabilities

- To continue to develop and introduce e-procurement tools available to ensure that the total costs of the procurement cycle are minimised.
- To incrementally move to digitised procurement from sourcing to payments

#### 6. Establish Effective Contract Management performance and enforcement

- To follow a corporate and proactive approach to supplier management to ensure that our key suppliers continue to provide value for money throughout the contract term.

#### 7. Establish an effective leadership and governance framework

- To act for the overall benefit of the three southern Wales forces.
- A plan for procurement activity will be produced, identifying the key procurement activity that will be undertaken.
- Accountability and transparency
- Capable, competent and adequate procurement resources
- High standard of professionalism and consistent application of best practice procurement
- Continuous improvement
- Benchmarking to demonstrate value for money and achieve best value outcomes
- Procurement activity will be open to public scrutiny

## 8. Responsible Ethical Procurement

- All procurement activity will fully comply with the Equality Act 2010.
- All staff will comply with the CIPS code of ethics.
- All contracts will be delivered in a way that is non-discriminatory, and promotes equality of opportunity for staff, members of the community and partners.
- Promotion of a procurement approach that takes in to account environmental, social and ethical issues, ensuring that the sourcing strategy agreed for all goods and services support sustainability.
- The Welsh forces have adopted the principles of the Welsh Public Procurement Policy (see Appendix A). The policy encompasses responsible procurement, particularly in the strands related to Economic, Social and Environmental Impact and Community benefits.
- A whole life costing approach to procurement decisions will take

account of the long term impact. There are opportunities to reserve expenditure for suppliers with a workforce of 30% of more disadvantaged workers and a sustainability risk assessment is applied to relevant procurements.

- Community benefits can include recruiting and training of economically inactive people, for example through traineeships, work experience, graduate placements or voluntary work opportunities. Other benefits relate to supply chain initiatives covering:
  - maximising the opportunities for smaller and more local suppliers and contractors to compete for tenders or sub-contract or supply chain opportunities.
  - measures to ensure prompt and fair payment terms
  - Environmental initiatives may include reduced waste to landfill, recycling of materials, reduced water consumption or business mileage.



## 6.0 How Will We Measure Performance

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We will use the following methods to measure and monitor performance.

1. Monitor performance against the target of 66% for collaborative procurement arrangements as a percentage of spend on goods, services and works.
2. Savings figures as reported to the Home Office on a quarterly basis.
3. Measure procurement turnaround time against the Government's Lean Sourcing 'standard solution' methodology for OJEU procurements – completion of all but the most complex procurements within 120 days, ideally 90 working days from contract notice publication date to contract award decision date.
4. Welsh Public Procurement Policy Model - measure performance against the measures set out against the 10 policy principles.
5. Commitment to the National Police Procurement Executive as the delivery arm of the Strategic Police Procurement Board to ensure we are aligned with the police national strategy for procurement. Measure alignment against SPPB pipeline.
6. Commitment to the National Procurement Service and the strategy to buy common and repetitive spend 'once for Wales'. Measure participation against NPS pipeline.
7. Analysis of comprehensive and accurate expenditure information in order to facilitate speedy and objective decisions on future procurement;
  - Use of benchmarking
  - Monitoring expenditure – an overall reduction is a good indicator of effective demand management
  - An increase in the level of expenditure for which we can clearly demonstrate the delivery of value for money.
8. Efficiency and Cost Savings - JPPSW will continue to work to deliver the cashable and non-cashable savings targets set within each force. The measurement of notional savings will demonstrate the benefits of competition in the market. The initiatives outlined in this strategy such as effective procurement processes, collaboration, e-procurement and early engagement with stakeholders will contribute to both efficiency and cost savings.
9. Training and Information - We will ensure procurement staff have the knowledge and skills necessary to perform their duties competently, dealing fairly and ethically with suppliers.
10. **Culture** -To demonstrate the successful delivery of the strategy, the collaborative procurement unit will be able to demonstrate a culture that is:
  - **Forward looking** – JPPSW will continue to be a proactive, forward looking function; it will embrace procurement initiatives and engage in activities that will enable best value procurement for the forces
  - **Engaging Early** – JPPSW will continue to engage with service deliverers and stakeholders across the forces in order to ensure professional procurement advice is provided involvement at the earliest opportunity
  - **Business Aligned** – JPPSW will support the objectives set out in the Commissioners' Police and Crime Plans to ensure activity is aligned with business objectives including spending wisely. JPPSW will develop partnerships with other organisations in order to exploit the potential for best value procurement.

- **Challenging specifications** – JPPSW will persist in challenging user specifications to ensure that force needs are met but requirements are not over specified and allow innovation by bidders where appropriate.
- **Driving competition and best value** – JPPSW will seek to derive the maximum benefit from competitive process.
- **Sourcing through collaboration and frameworks** - JPPSW will make use of frameworks where they deliver good value; we will seek to further increase the level of collaborative spend ; through engagement via the National Procurement Service, resources will be able to focus on

more complex, police specific procurements

- **Seen as an enabler and not a barrier** – the profile of procurement is positive but there is opportunity to provide excellent customer service and to further demonstrate the value proficient procurement can add.

- **Contributing to Demand Management** wherever possible by challenging demand prior to ordering; providing information on contracts and sources for goods and services to assist clients.



## 7.0 Summary & Conclusions

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1. The Joint Procurement Unit is well established with collaborative procurement being settled as the method of procuring wherever this is appropriate. Collaborative spend has increased to a level that puts the JPPSW amongst the best performing sectors in Wales.
2. The achievements to date are significant and best national practice has been clearly adopted. Cashable and efficiency savings delivered to date have exceeded targets, processes have been streamlined and common terms adopted. The reputation of procurement has developed into a professional function with strategic influence within many areas of the business.
3. The forces have implemented sustainability, equality and diversity considerations as well as environmental standards and community benefits within procurement. Business opportunities have been made accessible to small and medium enterprises as well as to local firms.
4. The use of scarce skilled resource is maximised through the sharing of resource and the use of national and regional arrangements. Whilst the police service is a not devolved to the Welsh Government, as a Welsh public sector organisation the force has sought to maximise both the opportunities available nationally as well as engaging in Welsh initiatives.
5. This collaborative procurement strategy builds on the good work delivered to date and develops further, influenced by the drivers for change.
  - a. The National Procurement Service in Wales has started to award collaborative contracts and frameworks,
  - b. The Public Contracts Regulations 2015 came into force on 26th February 2015 to implement the 2014 EU Public Sector Procurement Directive and,
    - c. It is expected that the Home Office Bluelightworks project will lead to standardisation of specifications and operational requirements through the support of Chief Constables and Police and Crime Commissioners.
6. JPPSW aims to deliver intelligent procurement- a proportionate, innovative approach, taking account of the bigger picture with regard to both economic and social impact. We will seek to deliver excellence, and get the best from suppliers. We will improve procurement efficiency and provide clear policy guidance and best practice.
7. The development of a robust procurement strategy facilitates the goal of securing best value for money. We are facing a great financial challenge, but also an opportunity. Collaboration in procurement is improving efficiency, making the best use of resource and supports rigorous value for money plans.
8. How far we can deliver the potential for greater efficiency will be dependent on maintaining the impetus to deliver better procurement within the forces, continued support from Chief Officers and the Police and Crime Commissioner, especially in relation to standardisation of specifications and further development of the procurement unit across the three southern Wales Forces, including the alignment of business processes.
9. Whilst the percentage of collaborative spend compares well with other sectors there remains a percentage of off contract spend not influenced by Procurement. This low level spend is approved by budget holders across the forces and complies with contract standing orders but opportunities may exist to deliver better value for the forces by combining some of these requirements. The integration of the National Police Procurement Hub with each force's finance system should lead to better national management information

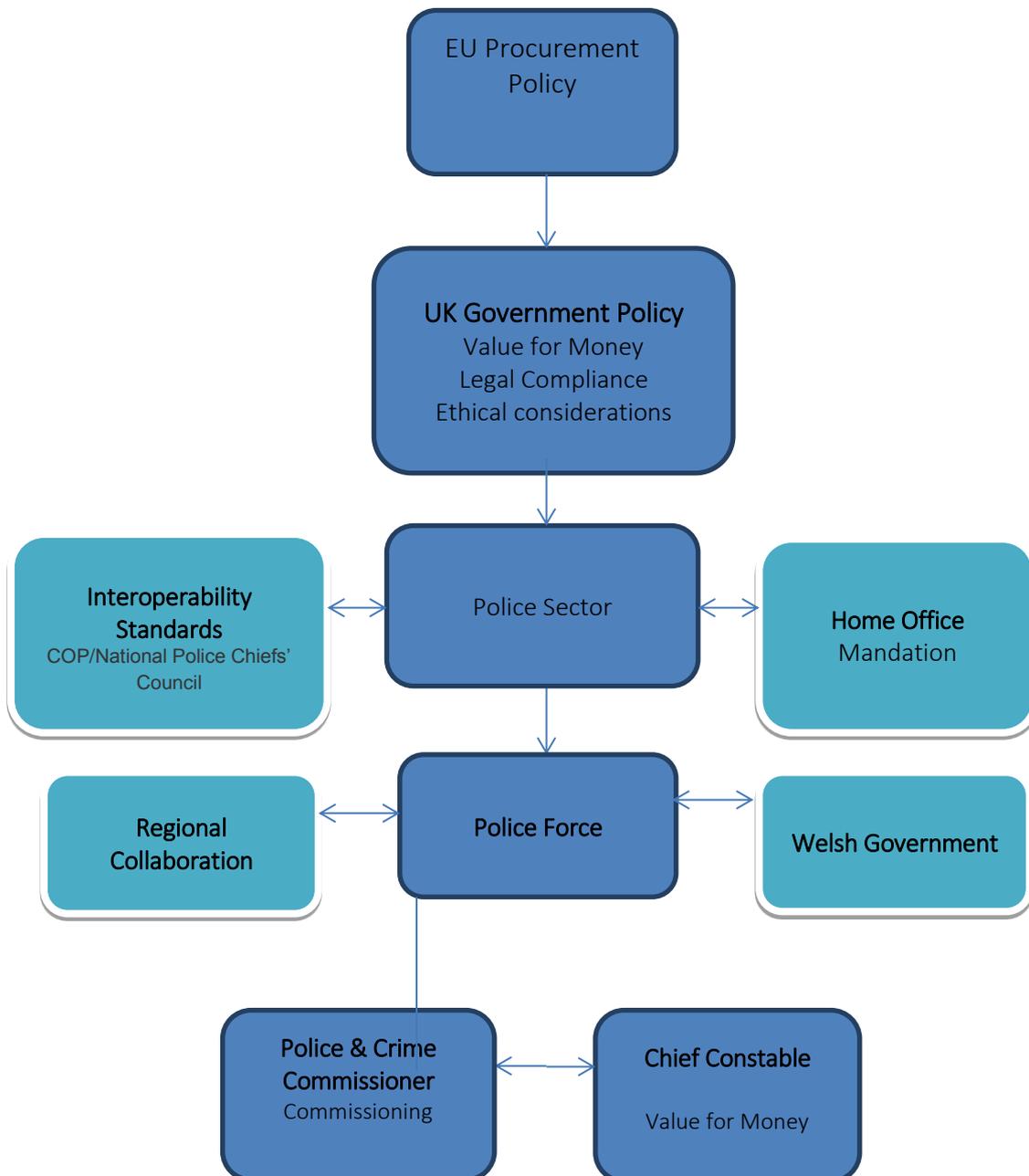
and the identification of collaborative opportunities. Maximum benefits will only be realised if the Hub is embedded across forces nationally. In addition, there is potential for increased efficiencies if business processes are aligned across the three forces.

10. This strategy and the Delivery Plan will be monitored on an ongoing basis to ensure the Joint Procurement Function continues to satisfy the objectives and goals of the three Southern Wales Police Services.



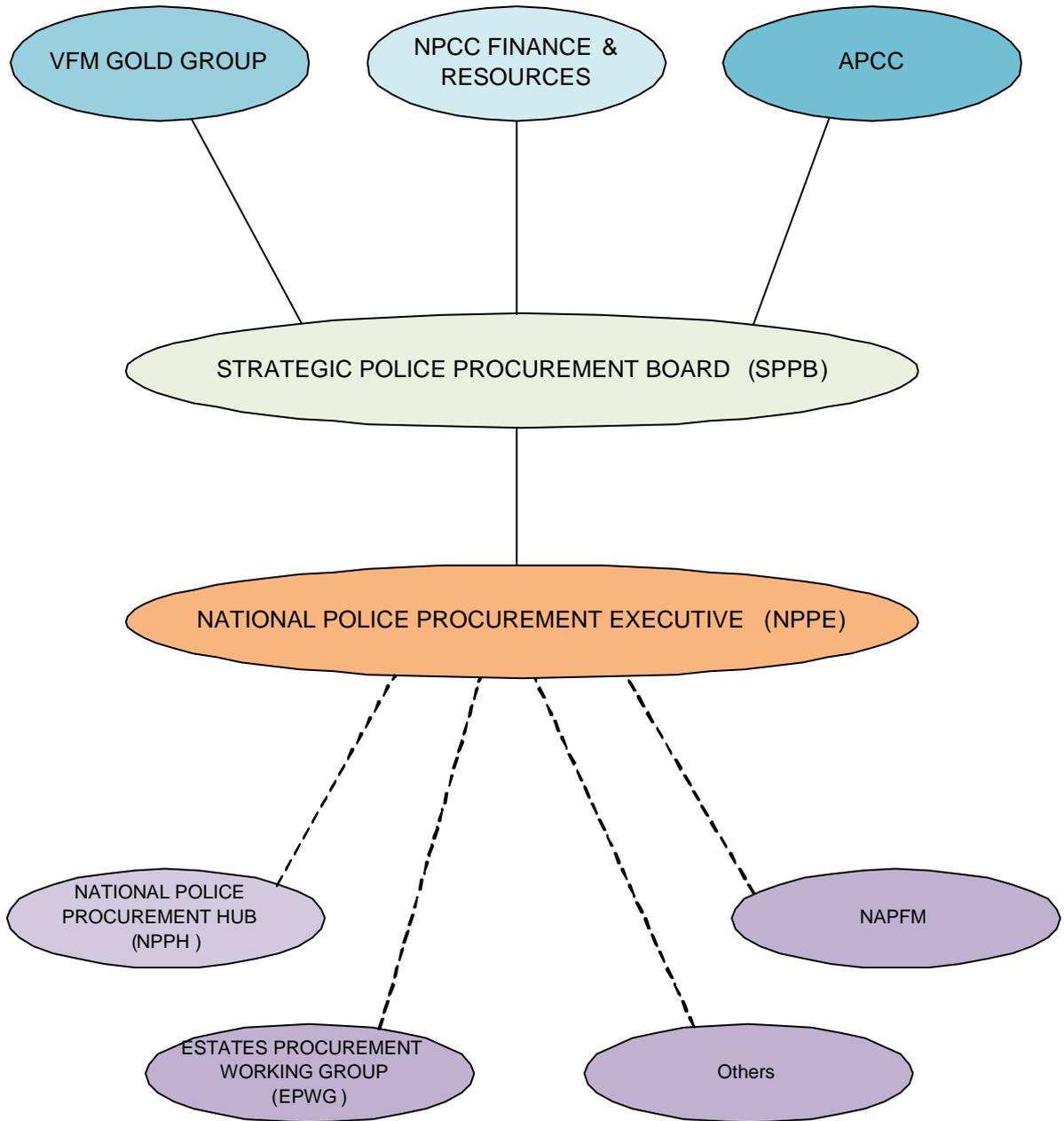
## THE GOVERNANCE STRUCTURE -GOVERNANCE OVERVIEW

The Overall Procurement Governance and Accountability is shown below



# PROCUREMENT GOVERNANCE FRAMEWORK HOME OFFICE

The Police Service Procurement Governance with SPPB ensuring delivery



## Abbreviations

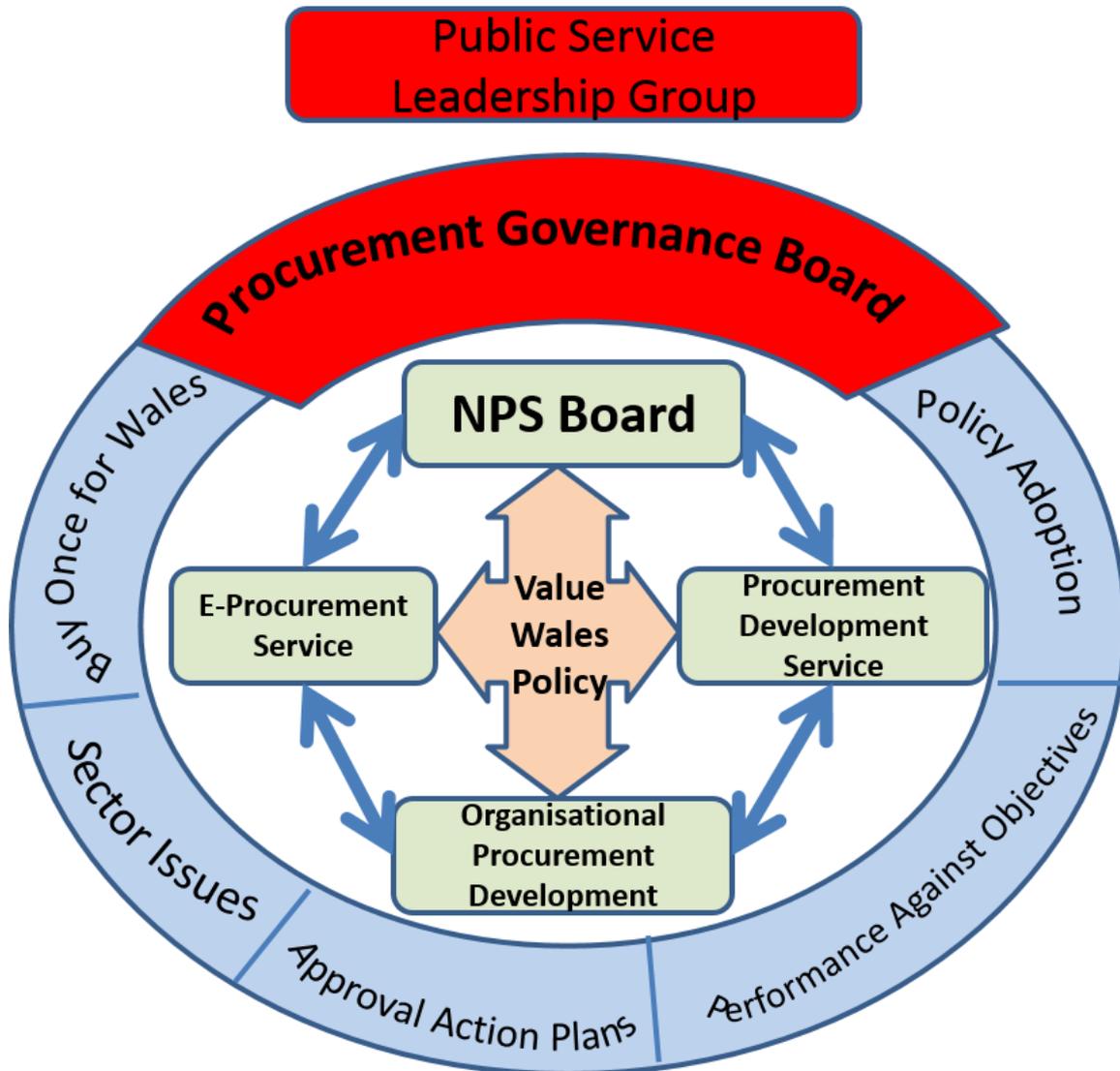
**VFM** Gold Group – Value for Money Gold Group, high level working group chaired by the Policing Minister

**APCC** - Association of Police and Crime Commissioners

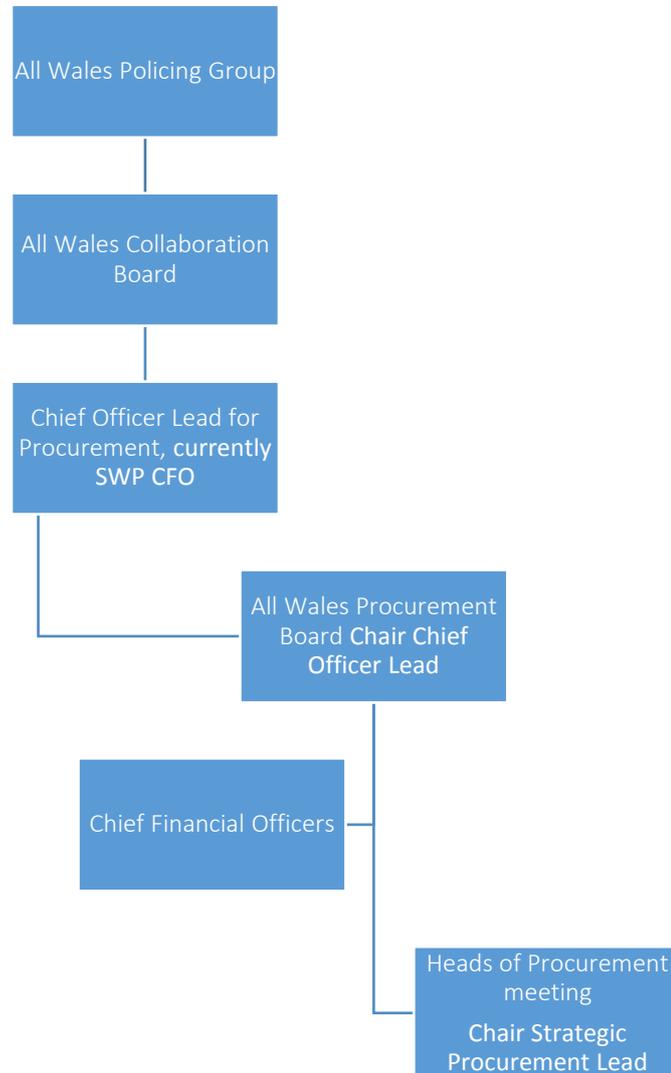
**ACPO** - Association of Chief Police Officers (to be replaced by National Police Chiefs Council)

**NAPFM** - National Association of Police Fleet Managers

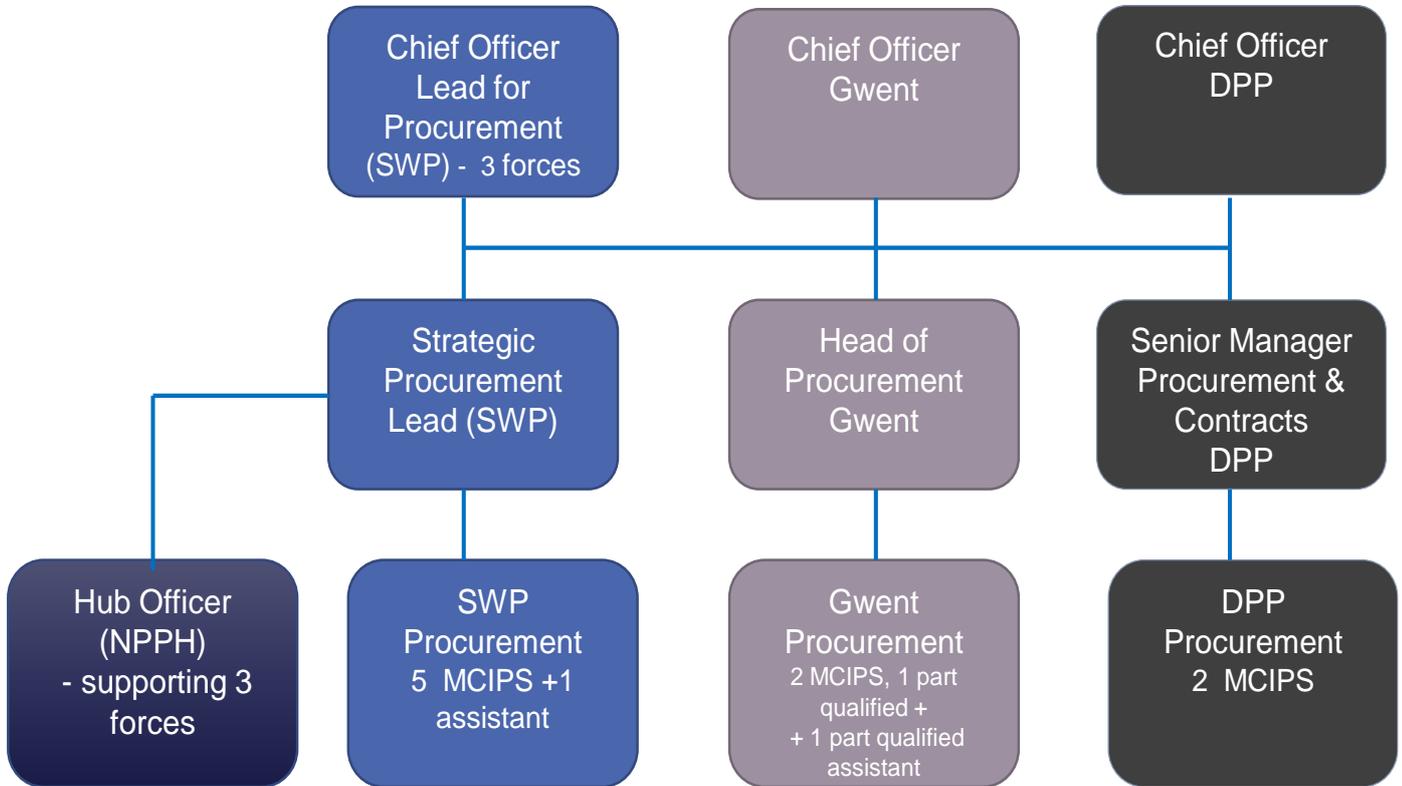
PROCUREMENT GOVERNANCE FRAMEWORK  
WELSH GOVERNMENT



## PROCUREMENT GOVERNANCE FRAMEWORK WELSH POLICE FORCES



## CURRENT PROCUREMENT ORGANISATION CHART



## CURRENT COLLABORATIVE SPEND



### Local

Catering  
 Drug Intervention Programme  
 Dangerous Dog Kennelling  
 Veterinary Services  
 ANPR  
 Boarding Up Services  
 Estates Services – electrical, plumbing, carpentry, roofing  
 Vaccinations  
 Vehicle Fit Outs  
 Franking machines  
 Various IT  
 Banking  
 Forensic Medical Services  
 Some uniform items  
 Vehicle Recovery  
*Managed Facilities*  
*Ammunition*  
*Vehicle Parts*

### Police in Wales 2 & 3 Force

Appropriate Adults  
 Laundry  
 Driver Training Courses  
 Forensic Pathology  
 Vehicle Livery  
 Valuation  
 Services Ratings  
 Some IT systems  
 Confidential Waste Disposal  
 Vehicle Accident Repair  
 Translator Services  
 Internal Audit  
 Vehicle Livery  
 Various IT  
 Property Disposal

### National Police

Vehicles  
 Ambient Meals  
 Police Pensions  
 Tyres  
 Fuel Cards (GPS)  
 Photographic Supplies  
 Scene of Crime Consumables  
 National Police IT systems & licences  
 Waste management  
 Specialised Uniform and Body Armour  
 Mobile Telephony and Mobile Data  
 Fingerprint Dev't Consumables  
 Dry Cell batteries  
 Forensic Services  
 Air Services

### Other Public Sector

Business Travel  
 Stationery & Paper  
 Printer consumables  
 Vehicle Hire  
 Media Advertising  
 Welsh Translation  
 Furniture  
 Childcare Vouchers  
 Welsh Purchase Card  
 MFDs  
 Postal Services  
 Gas & Electric  
 Bulk Diesel  
 PSBA  
 Temporary Staff  
 Major Construction  
 Occupational Health  
 External Legal Services  
 IT Hardware & COTS Software  
 Welsh Translation

*Categories in italics are expected to become collaborative*

### 3 Force Procurement Activity Pipeline 2015/16

Category	Comments	Force	Welsh Forces Collaboration	NPS/ Wales	Other Police Force Collaboration	CCS & Other Public Sector Collaboration	Local Contract
Ammunition and ballistic equipment.	Expect purchase from MoD	DPP Gwent SWP				Estimate April 2016 start	
Forensic Medical Services	Gwent to retain in house nurses and local medical contracts with Doctors	DPP Gwent SWP	Estimate start 1.12.15  Start 1.10.15				Current
Managed Facilities/Cleaning		DPP Gwent SWP			Start 01.01.16		Current to 31/8/2016+3 Current to 30/9/2016+2
Force Medical Advisor	3 force mini comp under NPS	DPP Gwent SWP			Start 01.08.15		
Substance Misuse Treatment Commissioning/Justice Interventions Partnership	Multi party collaboration	DPP Gwent SWP				Current Start 1.4.2016	1.4.2016
Disposal of Devices that hold data (Lost property and Force owned)		DPP Gwent SWP	Start January 2016				
Seized Property Disposal		DPP Gwent SWP	Estimate start Feb 2016				
Appropriate Adults in Custody		DPP Gwent SWP	Start 0.1.02.16				

Category	Comments	Force	Welsh Forces Collaboration	NPS/ Wales	Other Police Force Collaboration	CCS & Other Public Sector Collaboration	Local Contract
CCTV Installation & Maintenance - Cardiff, Merthyr & Swansea		DPP Gwent SWP					1.9.15
Vehicle Recovery		DPP Gwent SWP			Reviewing options for 1.4.16 1.10.15		1.9.15
Vehicle parts		DPP Gwent SWP			awaiting new national framework		
On-Site Catering Service		DPP Gwent SWP					21.9.16 current tender for Dec 2016
Detention equipment and clothing	Clothing & Equipment for Detainees & Victims of Crime (11 Lots)	DPP Gwent SWP			1.7.15		
Insurance Services		DPP Gwent SWP		Award April 2016			
Agency Workers		DPP Gwent SWP		mini comp under NPS Award for 1.11.15			
Interpreter & Translation Services		DPP Gwent SWP				current	
Office Furniture		DPP Gwent SWP		1.10.15			
Multi Functional Devices	current collaboration under CCS led by Gwent	DPP Gwent SWP	NPS due to run mini comp under CCS. Award April 2016				
Stationery		DPP Gwent SWP		NPS retender for 15.7.16			

Category	Comments	Force	Welsh Forces Collaboration	NPS/ Wales	Other Police Force Collaboration	CCS & Other Public Sector Collaboration	Local Contract
Forensics	West Cost Consortium under Home Office framework	DPP Gwent SWP			Consider options for new agreement to commence 1.4.17		
Vehicle Hire		DPP Gwent SWP		NPS			
IT Hardware		DPP Gwent SWP		Mini comp with NPS when framework awarded later in 2015		Police mini comp under CCS	
Business Travel		DPP Gwent SWP		NPS award 30.9.15		current CCS	
Motorcycle Uniform		DPP Gwent SWP	Work in progress - various contracts to let				
Telematics		DPP Gwent SWP	Award 1.10.15 Tender Nov 2015		Awaiting national tender details		Local contract - originally under CCS
Liquid Fuels		DPP Gwent SWP		NPS framework			
Vehicle Livery		DPP Gwent SWP	Gwent to lead 3 force contract to award 22.10.15				
Police Pension Services		DPP Gwent SWP			Mini comp under Hampshire framework		
CID Harnesses		DPP Gwent SWP	Gwent to lead 3 force contract - award January 2016				

Category	Comments	Force	Welsh Forces Collaboration	NPS/ Wales	Other Police Force Collaboration	CCS & Other Public Sector Collaboration	Local Contract
Tyres		DPP Gwent SWP			Home Office to retender national agreement for 2016		
Warning Equipment - Lightbars, Sirens		DPP Gwent SWP			Home Office to consider whether to retender national agreement for Sept 2016		
Vehicle Purchase		DPP Gwent SWP				22 force mini comp awarded under CCS	
Body Worn Camera		DPP Gwent SWP			National framework available		
Auction Services		DPP Gwent SWP	SWP to lead on 3 force contract				
HEP B vaccines		DPP Gwent SWP	SWP to lead on 3 force contract for 1.12.15				
Prisoner Intelligence Notification System (PINS)		DPP Gwent SWP				3 force contract under CCS to 31.8.17	
Forensic Pathology		DPP Gwent SWP	3 force contract to 30.9.15+2				
Electrical Works		DPP Gwent SWP				Monmouth Collaboration	Local contract  Local contract to 30.9.16
Welsh Language Translation		DPP Gwent SWP		NPS framework or in-house to 1.4.16			
Plumbing Maintenance & repair		DPP Gwent SWP				Monmouth Collaboration	Local contract  Local contract to 1.1.17

## Adoption of the Principles of the Welsh Public Procurement Statement

The Welsh forces are supportive of the Welsh Public Procurement Policy Statement (WPPS) and have implemented each of its strands. It is expected that a refreshed WPPS will be launched in June 2015 to build on the good work since 2012. The draft refreshed WPPS is shown below with the police actions against each strand. The final version of the refreshed WPPS may be an amended version of the draft, the tables below provide a clear summary of how the police forces have adopted the strands.

1. **Strategic** - Procurement should be recognised and managed as a strategic corporate function that organises and understands expenditure; influencing early planning and service design and involved in decision making to support delivery of overarching objectives.

*How will this be achieved?*

<p><b>Welsh Government will:</b></p> <ul style="list-style-type: none"> <li>- set out a 'maturity model', against which development of procurement can be measured across the Welsh public sector.</li> <li>- Facilitate a Procurement Fitness Check Programme, to include a self assessment model for eligible organisations</li> <li>- Provide a standard template against which public bodies will report the outcome and progress against action plans.</li> <li>- Provide access to policy, advice and resources which enable public bodies to improve procurement outcomes</li> </ul>	<p><b>The Welsh public sector will:</b></p> <ul style="list-style-type: none"> <li>- measure themselves against the maturity model, by undertaking regular Welsh Procurement Fitness Checks and reporting the recommendations and action plan progress to Welsh Government.</li> </ul>	<p><b>Police in Wales:</b></p> <p>Whilst the police forces were not included in the Welsh Procurement Fitness checks, they subscribe to the principles within the maturity model and will informally measure performance against this. Chief Officers recognise Procurement as strategically important. Heads of Procurement report directly to CFOs.</p>
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2. **Professionally resourced** - procurement expenditure should be subject to an appropriate level of professional involvement and influence, adopting the initial benchmark of a minimum of one procurement professional per £10m of expenditure across the wider public sector..

*How will this be achieved?*

<b><i>Welsh Government will:</i></b>	<b><i>The Welsh public sector will:</i></b>	<b><i>Police in Wales</i></b>
<ul style="list-style-type: none"> <li>- promote adoption of a competency framework setting out qualifications, experience and expertise that will support a structured procurement career.</li> <li>- provide routes to training and development, including those which enable public bodies to cultivate professional procurement expertise.</li> <li>- Drive forward the shared services programme, enabling public bodies to utilise resources to best effect</li> </ul>	<ul style="list-style-type: none"> <li>- ensure adequate skills and resources are in place to carry out effective procurement and contract management.</li> <li>- where gaps are identified within organisations, consider opportunities to share expertise across organisational boundaries</li> <li>- have a procurement training plan which addresses resource and skills gaps and share this with Welsh Government to support future skills development strategy.</li> <li>- Incentive procurement officers to maintain their continuous professional development and maintain their CIPS License to Practice including CIPS Ethics Module</li> </ul>	<ul style="list-style-type: none"> <li>- 3 forces have CIPS qualified professionals and satisfy the benchmark of one procurement professional per £10m expenditure.</li> <li>- Resources are shared across the 3 forces through the collaborative procurement unit</li> <li>- The national police skills matrix will drive training offered to police by CCS.</li> <li>- Police engage with training courses offered through the National Procurement Service contract and through seminars offered by local law firms.</li> <li>- Forces have supported professional development by sponsoring staff and allowing them worktime to complete MCIPS qualifications</li> </ul>

3. **Economic, Social and Environmental Impact** - Value for Money should be considered as the optimum combination of whole-of-life costs in terms of not only generating efficiency savings and good quality outcomes for the organisation, but also benefit to society and the economy, whilst minimising damage to the environment.

*How will this be achieved?*

<b><i>Welsh Government will:</i></b>	<b><i>The Welsh public sector will:</i></b>	<b><i>Police in Wales</i></b>
<ul style="list-style-type: none"> <li>- Maximise the opportunities presented by the revised EU Procurement Directive to drive economic, social and environmental impact</li> <li>- provide leadership, guidance and tools on procurement best practice.</li> <li>- Issue updated policy guidance on ethical procurement issues including but not limited to               <ul style="list-style-type: none"> <li>▪ the opportunity to reserve contracts for suppliers with a workforce of 30% or more disadvantaged workers</li> <li>▪ the opportunity to reserve contracts for suppliers with a social ethos e.g. Co operatives and Mutuals at first tender.</li> <li>▪ Impact of the Modern Slavery Act on supply chain management</li> </ul> </li> <li>- Provide intelligence on the make up of the Welsh Economy to support development of procurement strategies that support Welsh economic growth</li> </ul>	<ul style="list-style-type: none"> <li>- Provide leadership within their organisation on procurement best practice</li> <li>- use a whole life costing approach to procurement decisions, taking account of the long-term impact.</li> <li>- Be pro active in managing suppliers, considering the whole supply chain</li> <li>- Identify areas of expenditure which can be reserved for suppliers with a workforce of 30% or more disadvantaged workers.</li> <li>- Identify areas of expenditure which can be reserved for suppliers with a social ethos e.g. Co operatives and Mutuals at first tender.</li> <li>- Apply the Sustainability Risk Assessment to all procurements above £25,000</li> </ul>	<ul style="list-style-type: none"> <li>- Forces have adopted the Sustainable Risk Assessment for all appropriate procurements.</li> <li>- Work undertaken with WRAP (Waste &amp; Resources Action Programme) to identify sustainability factors in procurements e.g. laundry services, confidential waste</li> <li>- A whole life costing approach will be applied in accordance with the PCR 2015</li> <li>- Will consider appropriate contracts to be reserved for suppliers with a workforce of 30% or more disadvantaged workers</li> </ul>

4. **Community Benefits** – delivery of added value through Community Benefits policy must be an integral consideration in procurement.

*How will this be achieved?*

<p><b>Welsh Government will:</b></p> <ul style="list-style-type: none"> <li>- provide Community Benefits policy; strengthening support available on the ground and challenging the application.</li> </ul>	<p><b>The Welsh public sector will:</b></p> <ul style="list-style-type: none"> <li>- appoint a community benefits champion for their organisation and advise Welsh Government</li> <li>- apply a Community Benefits approach to all public sector procurements</li> <li>- apply the Measurement Tool to all such contracts over £1m, as a minimum .</li> <li>- Provide justification for all contracts valued above £1m where the approach has not been used</li> </ul>	<p><b>Police in Wales</b></p> <p>Ensure community benefits are included where appropriate in major procurements, especially in Construction. e.g. Significant Community benefits were delivered via SCAPE Major Projects framework e.g. 2 Bridewell police station builds in 2013/14.</p> <p>Commitment to use NPS agreements for common and repetitive spend. 100% of NPS frameworks/contracts over £5m include community benefits</p>
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5. **Open, accessible competition** - public bodies should adopt risk based, proportionate approaches to procurement to ensure that contract opportunities are open to all and smaller, local suppliers are not precluded from winning contracts individually, as consortia, or through roles within the supply chain.

*How will this be achieved?*

<p><b>Welsh Government will:</b></p> <ul style="list-style-type: none"> <li>- provide <a href="http://www.sell2wales.co.uk">www.sell2wales.co.uk</a>, including the SQuID common question set.</li> <li>- Provide Leadership, guidance &amp; tools on best practice procurement approaches</li> <li>- Improve information on forward programmes by maintaining publication of the Wales Infrastructure Investment Plan.</li> </ul>	<p><b>The Welsh public sector will:</b></p> <ul style="list-style-type: none"> <li>- amend standing orders to require advertisement of all contracts over £25K on <a href="http://www.sell2wales.gov.uk">www.sell2wales.gov.uk</a></li> <li>- proactively publish their forward contract programmes on their website</li> <li>- Use appropriate 'lotting' strategies.</li> <li>- apply the SQuID approach as standard to supplier selection.</li> <li>- Publish contract award notices on <a href="http://www.sell2wales.gov.uk">www.sell2wales.gov.uk</a></li> <li>- Ensure procurements are available and accessible to all - including collaborative bids (i.e. consortia)</li> <li>- Promote fair payment terms throughout the supply chain</li> </ul>	<p><b>Police in Wales</b></p> <ul style="list-style-type: none"> <li>- Sell2wales used to advertise contracts and publish award notices (also via Contracts Finder until a direct feed is created from sell2wales, in line with Lord Young Reforms)</li> <li>- Advanced use of the SQuID including the SQuID wizard</li> <li>- Use of appropriate lotting strategies</li> </ul>
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6. **Simplified Standard Processes** – procurement processes should be open and transparent and based on standard approaches and use of common systems that appropriately minimise complexity, cost, timescales and requirements for suppliers.

*How will this be achieved?*

<b><i>Welsh Government will:</i></b>	<b><i>The Welsh public sector will:</i></b>	<b><i>Police in Wales</i></b>
<ul style="list-style-type: none"> <li>- develop and promote simplified approaches to procurement based upon the adoption of common systems and processes, including the Welsh e-procurement service, that reduce the cost of doing business.</li> <li>- Provide a centrally funding a 2 year change programme to accelerate etrading</li> <li>- monitor the adoption and impact of these approaches.</li> <li>- Provide structured support to public bodies to undertake business change management to support effective utilisation of e-procurement</li> <li>- Provide a single point of contact for supplier feedback</li> </ul>	<ul style="list-style-type: none"> <li>- adopt and embed common procurement approaches.</li> <li>- Make best use of available e-procurement tools</li> <li>- measure themselves against the eProcurement Maturity model and eProcurement Organisational Benefits model as part of the annual procurement fitness check process</li> <li>- Encourage supplier feedback on ease of process and channel through to Welsh Government</li> <li>- Pay all correct invoices on time</li> <li>- Use Project Bank Accounts where appropriate</li> <li>- Adopt a 'no purchase order no payment' policy for all procurement activity</li> </ul>	<ul style="list-style-type: none"> <li>- Establishment of 3 force collaborative procurement unit has resulted in common terms and standardised tender documentation and processes</li> <li>- Adoption of NPPH etrading</li> <li>- Working with Unit 4 to enable e-invoicing</li> <li>- Esourcing - all tenders are electronic</li> <li>- Mature Welsh Procurement Card programme</li> <li>- Complete the eProcurement Maturity Model to assess eProcurement maturity at an organisation wide level</li> </ul>

7. **Collaboration** – areas of common expenditure should be addressed collectively using standardised approaches and specifications managed by the National Procurement Service (NPS) to reduce duplication, to get the best response from the market, to embed the principles of this Policy Statement for the benefit of Wales; and to share resources and expertise.

*How will this be achieved?*

<p><b>Welsh Government will:</b></p> <ul style="list-style-type: none"> <li>- deliver collaborative contracts and frameworks through National Procurement Service to the value of 2.2bn over the next 2 years.</li> <li>- Support collaboration and the wider shared services agenda.</li> </ul>	<p><b>The Welsh public sector will:</b></p> <ul style="list-style-type: none"> <li>- participate in the National Procurement Service for the benefit of Wales and their individual organisation.</li> <li>- Consider opportunities for further collaborative procurement initiatives</li> <li>- monitor and report on engagement with NPS and other collaborative initiatives</li> </ul>	<p><b>Police in Wales</b></p> <ul style="list-style-type: none"> <li>- Collaborative procurement is business as usual.</li> <li>- 65% collaborative procurement spend achieved across 3 forces</li> <li>- Commitment to NPS</li> <li>- Collaboration with police service for specialised goods and services</li> <li>- Actively engaged in NPS Delivery Group, NPS Board, SPPB, NPPE</li> </ul>
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8. **Supplier Engagement and Innovation** – dialogue with suppliers should be improved to help get the best from the market place, to inform and educate suppliers, and to deliver optimum value for money.

*How will this be achieved?*

<p><b>Welsh Government will:</b></p> <ul style="list-style-type: none"> <li>- Provide clear policy direction on procurement best practice in support of public bodies in Wales adopting approaches to procurement that are informed and influenced by feedback from the supply chain.</li> <li>- Provide business support to suppliers through the Business Wales Service</li> </ul>	<p><b>The Welsh public sector will:</b></p> <ul style="list-style-type: none"> <li>- publish a single electronic point of contact for supply chain dialogue/feedback/queries.</li> <li>- ensure de-briefing provides adequate tender feedback.</li> <li>- use outcome based specifications where appropriate to encourage business innovation</li> <li>- use pre market engagement where appropriate</li> </ul>	<p><b>Police in Wales</b></p> <ul style="list-style-type: none"> <li>- Increase of pre-market engagement with suppliers prior to tendering requirements, especially for technical solutions.</li> <li>- Supports Government/CCS Lean Sourcing (90-120 working day procurement turnaround time)</li> <li>- Full debriefing provided to unsuccessful bidders</li> <li>- E-sourcing facilitates submission of questions relating to tenders</li> <li>- Force websites have procurement advice e.g. – How to do business with South Wales Police</li> </ul>
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	<ul style="list-style-type: none"> <li>- Regularly publish contract award notices</li> <li>- consider opportunities for using new innovation partnership provision of the Public Contract Regulations</li> <li>- ensure regular contract performance management reviews are conducted and use these to encourage two-way dialogue</li> </ul>	
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9. **Policy Development and Implementation** – deployment of policy which supports the achievement of the seven well-being goals for Wales as set out in the Well-being of Future Generations (Wales) Act (2015)

<p><b><i>Welsh Government will:</i></b></p> <ul style="list-style-type: none"> <li>- consult with social partners and other relevant stakeholders on matters which may be influenced through public procurement policy.</li> <li>- Utilise the general designation on procurement to issue procurement guidance in the form of regulatory requirements for the Welsh public sector</li> </ul>	<p><b><i>The Welsh public sector will:</i></b></p> <ul style="list-style-type: none"> <li>- Deploy the advice issued in the PANs in all relevant contracts.</li> </ul>	<p><b><i>Police in Wales</i></b></p> <ul style="list-style-type: none"> <li>- Develop a collaborative procurement strategy for the three southern Wales forces and provide guidance to the police sector</li> <li>- Measure performance through the measures identified in the collaborative strategy</li> </ul>
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10. **Measurement and Impact** – in accordance with good management practice, procurement performance and outcomes should be monitored to support continuous improvement, and examples of good and poor practice openly shared.  
*How will this be achieved?*

<p><b>Welsh Government will:</b></p> <ul style="list-style-type: none"> <li>- provide a framework of procurement performance measures that are proportionate and help to drive improvement.</li> <li>- Collate information and report to the Minister for Finance &amp; Government Business and Procurement Board for consideration in future policy development implementation..</li> </ul>	<p><b>The Welsh public sector will:</b></p> <ul style="list-style-type: none"> <li>- Complete an annual return to Welsh Government of procurement outcomes, achieved through procurement.</li> </ul>	<p><b>Police in Wales</b></p> <ul style="list-style-type: none"> <li>- Dashboard shows key performance measures</li> <li>- Collaborative procurement monitored and savings reported regularly to Home Office</li> <li>- Good and poor practice shared across the police service</li> <li>- Increase in the level of spend for which VfM can be clearly demonstrated.</li> <li>-</li> </ul>
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## Sustainable Procurement Policy

Joint Police Procurement Southern Wales (JPPSW) through its delivery of services to the community can have a significant impact on the environment and will engage in development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

As a user of physical, natural and human resources, JPPSW acknowledges its responsibility for ensuring that its operations are conducted in a sustainable manner.

Sustainability can be incorporated into the whole procurement process: defining the need, evaluating options, design and specifying, supplier selection, tender evaluation, post-contract management and supplier development.

Procurement plays a key role in influencing the delivery of any organisation's contribution to sustainable development. JPPSW will utilise its position in the supply chain to influence the definition of needs, acquisition, service delivery and product utilisation and disposal to ensure that environmental and sustainable factors are embraced within the framework of value for money in the public sector.

JPPSW will aim to motivate our suppliers to offer more sustainable products by encouraging users to define functional performance specifications (including sustainability), rather than the technical specifications of known products. The use of a Sustainability Risk Assessment will facilitate this. The result should be that suppliers are given the flexibility to seek out the most cost-effective solutions, thus reducing our costs and improving quality.

### *Key principles*

- To encourage all those involved in conducting purchases on behalf of the three forces to be considerate of environmental and sustainable issues in their purchasing activity
- To comply with all environmental legislative and regulatory requirements in the procuring of goods and services
- To promote environmental awareness among our suppliers to encourage them to offer us environmentally preferable products or alternatives and services at competitive prices.
- Early involvement with stakeholders and Environmental Units to develop functional specifications allowing suppliers to develop innovative solutions
- Specifying and procuring environmentally preferable products for example from recycled and renewable sources where practicable or those that can be reused, recycled or disposed of in an environmentally secure way.
- To encourage the reduction of waste in both goods and the packaging of goods
- To observing Waste Packaging Regulations
- To assessing "whole life" costs of a product including its disposal.
- To identify options that help conserve energy, water and paper during the manufacturing process and reducing waste through minimisation
- To make contract opportunities accessible to all potential suppliers through the utilisation of tools aimed at wider supplier involvement e.g. sell2wales; simpler or standardised documentation

- To use our procurement policy to promote equality and diversity and aim to contribute to the building of capacity and sustainable development particularly for those communities that may suffer from disadvantage and prejudice.

JPPSW is committed at all levels to delivering responsible procurement by addressing supplier diversity issues

JPPSW is committed to ensuring that workers employed in its supply chains throughout the world are treated fairly, humanely and equitably

The unit recognises that the need for continuous improvement in the area of sustainability is essential and therefore will regularly review its policies and procedures.

## Appendix to JPPSW Collaborative Procurement Strategy

### Proposal to align business processes to further develop collaboration and delivery of value for money

#### Common Finance and Procurement Systems

Dyfed-Powys and South Wales Police have common finance and procurement systems, although currently operate different versions of the Agresso Business World (ABW) system. Gwent Police have purchased the ABW software with a view to implementation in 2016. This will provide an opportunity to standardise to the same business processes for purchase ordering across the forces. This could lead to standard workflows, common processes and the realisation of efficiencies through the sharing of sourcing information, better value for money on low level spend and an improved use of resources.

#### Current processes

Currently each force has a centralised team who perform the transactional purchasing tasks. The teams report to Finance and are distinct from the strategic Procurement function. To assist the teams, catalogue information is available for some contracted items via the National Police Procurement Hub but use of the Hub varies and nationally, progress has been slow. Details of contracts and frameworks in place are provided to the ordering teams. In some forces, certain items requisitioned are reviewed by Procurement to establish value for money (VfM), such as uniform and specific IT purchases, but for most below threshold items, Gwent, Dyfed-Powys and North Wales Procurement do not review lower level expenditure prior to order placement. Dyfed-Powys are considering increasing the influence of Procurement to include lower level spend but this will require appropriate resource.

#### Financial Thresholds and Improved Scrutiny of Expenditure

The Police Reform and Social Responsibility Act 2011 requires the Police and Crime Commissioner to publish information in relation to income and expenditure. This includes information about each item of expenditure exceeding £500, including the recipient of the funds, the purpose of the expenditure and the reasons it is considered that good value for money would be obtained. To satisfy this requirement, SWP has built in a VfM indicator into the ABW system. Gwent could adopt the same functionality within a new finance system. Dyfed may be able to add this to their current system. The benefit is the ability to scrutinise lower value spend to ensure value for money before orders are placed.

The four forces currently work to different financial thresholds, set out in the Manual of Governance/Corporate Governance Framework.

Current threshold for at least one quotation and demonstration of VfM	
Dyfed-Powys	up to £4999, minimal Procurement influence
Gwent	up to £4999, minimal Procurement influence
South Wales	up to £10,000 but demonstration of VfM is requested by Procurement for all purchases over £500
North Wales	Up to £20,000 but must demonstrate VfM

Current threshold for a minimum of 3 quotations	
Dyfed-Powys	£5,000-£25,000 (reduced as a result of the Lord Young Reforms, PCR 2015)
Gwent	£5,000-£15,000 Uniform and specific IT purchases signed off by Procurement
South Wales	£10,000-£40,000 All expenditure over £10,000 must be approved by Procurement
North Wales	£20,000 - £50,000

As a result, Procurement influence varying levels of spend and the responsibility to deliver value for money remains with service deliverers, in some cases for significant expenditure levels. The Public Contracts Regulations 2015, implementing the 2014 EU Public Sector Procurement Directive and a number of new reforms, recommended by Lord Young, came into force on 26th February 2015. The Regulations bring a new below threshold of a value, net of VAT, estimated to be less than £25,000. The purpose is to make public procurement more accessible to small businesses. Therefore, *where an opportunity with a value of £25,000 is advertised*, it must be done so via Contracts Finder in an open and transparent way, from 1<sup>st</sup> April, 2015. Force standing orders will dictate the threshold at which opportunities shall be tendered.

The Welsh Government is investigating the possibility of developing a link between Contracts Finder and sell2wales to allow non-devolved organisations in Wales to continue to advertise via sell2wales.

Aligning the governance relating to levels of expenditure to that of South Wales would improve the scrutiny around expenditure and ensure that value for money is demonstrated. Aligning the financial thresholds is not essential but would further align processes and facilitate potential back office collaboration of transactional purchasing.

Budget holders are less likely to obtain three or more quotations, without the scrutiny of Procurement. It will be difficult to ensure each force complies with the new Regulations if Procurement do not oversee spend at least above the £25,000 level. However, if the vision is for

Procurement to deliver value for money for all goods and services procured for the forces, this level of spend managed by Procurement should be reduced.

### **Notional Savings**

Notional savings are a comparison of the winning bid versus an average of the tender bids or quotations received. The measurement of notional savings evidences the benefits of competition in the market. Not all forces currently measure notional savings but by doing so, the unit will be able to clearly demonstrate it is securing value for money for the public purse. When measured, figures consistently show notional savings to be on average, circa 20%.

### **Where to Buy Lists and Sourcing Advice**

To assist requisitioners across the forces and centralised business support teams, 'Where to Buy' Lists for common categories are a useful tool. Whilst there may be use of local suppliers for certain goods and services, a common list could be compiled if all forces align policies so that Procurement has influence over lower level spend. The list could also include a range of suppliers local to each force to support the localism agenda. There may be additional resource requirements or a restructure of current resources to implement this but a pilot period would be expected to demonstrate that the savings will fund any additional resource.

In addition to Buying Guides, South Wales has demonstrated the value of the Procurement Assistant role providing sourcing advice to departments who need to obtain quotations. This could be providing lists of suppliers or obtaining the quotes for various requirements. Where appropriate, the requirement can be advertised on sell2wales or Contracts Finder.

### **Evaluation Criteria**

In the current financial climate, it would be prudent to standardise a minimum evaluation criteria for price of 50% for all tenders. Where exceptions to this can be justified, approval would be sought from the appropriate Chief Financial Officer/Director of Resources.

### **Collaborative Procurement Strategy**

The collaborative procurement strategy sets out procurement principles and a common sourcing approach. By adhering to these and implementing the strategy, appropriate sourcing strategies will be evaluated and delivered. Measurement of performance will be monitored through the methods indicated. This should give assurance to Commissioners and Chief Officers that robust strategies will be established and options appraised for all contracted goods and services categories.

The Collaborative Law Enforcement Programme Evidence Based Workstream, undertaken by BluelightWorks, recommends to Commissioners and Chief Constables that moving to standard specifications and aggregating spending power. To assist this, JPPSW seeks support to standardise specifications across the 3 forces as a minimum, particularly in areas such as vehicles, uniform, forensics and IT systems.