



Glasgow City Council Operating Policy

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Executive Summary

Introduction

Glasgow City Council-wide procurement vision is to secure savings in areas of commodity expenditure and in so doing, to develop and implement a common and consistent approach to the management of goods, services & works across the Council.

One of the main features of the Procurement Programme is the ongoing development of sourcing strategies across distinct areas of commodity expenditure. In order to ensure that savings are identified and achieved, a standardised approach to Strategic Sourcing & Commodity Strategy design and implementation has been established by the Corporate Procurement Unit (CPU).

The Operating Policy has been developed by the CPU in co-ordination with Internal Audit and Legal Services. This will ensure that the relevant policies and procedures are in place to identify and report on non-compliant procurement activity, and will allow Glasgow City Council to take mitigating action where necessary.

1 Introduction - Scope and Purpose

1.1 Purpose of this document

This document is part of a Council wide procurement Operating Policy that will support the savings initiatives of the Council. It has been created as a result of the changing procurement infrastructure following the formation of the Corporate Procurement Unit and Departments with appointed commodity ownership. There is an identified requirement to have a policy to ensure procurement activities and responsibilities are clearly defined and co-ordinated to support the identification and delivery of Best Value for the Council.

2 Scope of this document

This document defines the requirements and processes to be adopted by all departments to effectively utilise the Corporate Procurement Unit. This document should not take precedence over, or contravene any existing Council Policies and Procedures and is supplementary Glasgow City Council's Standing Orders for Contracts.

2.1 What is the Operating Policy?

The Operating Policy governs the procurement and contractual strategies for goods, services & works and defines the ownership, authorisation and role of the CPU and Departments with delegated authority.

2.2 Operating Policy Definition

The CPU is a Glasgow City Council department whose purpose is to drive council wide collaboration and provide value in the procurement of goods, services and works which would not be possible or economically feasible at an individual department level.

The Council has moved to a Hybrid Centralised model where commodity managers within the CPU and Departments with appointed commodity ownership focused on better buying and the adoption of commercial suppliers. The CPU also maintains standards of procurement, best practice and ongoing procurement development.

Some elements of specialised procurement are handed back to specific teams in the departments. The main element of specialised procurement identified for management 'in department' is the critical Care element of Social Work Services (SWS).

One of the most visible CPU responsibilities is the value for money procurement of goods, services & works necessary for the operation of council departments. The CPU has invested in strategic sourcing and aims to provide the best value possible, through the best combination of cost, quality, reliability, service and delivery terms from suppliers.

2.3 Responsibilities

The CPU and Departments with appointed commodity ownership are responsible for the strategic procurement (commodity strategy, contract tendering, supplier adoption, contract award, contract implementation and contract & supplier performance management) of allocated commodities. The CPU does not have the responsibility for transactional procurement on behalf of departments i.e. the placing or expediting of Purchase Orders.

The Departments with appointed commodity ownership are responsible for commodity strategy and tendering responsibility for an agreed group of commodities for which they currently have the majority or entire spend share and/or greater expertise. Departments will also undertake transactional procurement for their own departments.

2.4 Assignment of authorisation to make commitments

The Operating Policy supports the role of the CPU, Departments with appointed commodity ownership and department procurement officers to undertake procurement on behalf of the Council, subject to Standing Orders and European Procurement Regulations. This authorisation applies to all Purchasing Executives, Head of Procurement within the CPU and department procurement officers.

3 Components of an Operating Policy

The key components of the Operating Policy are the definition, roles and responsibilities of the CPU, Departments with appointed commodity ownership and department procurement officers.

3.1 Commodity Strategies

3.1.1 Commodity Strategy Definition

A commodity strategy is a plan which is developed to optimise and leverage the procurement of a group of similar goods, services or works, the purpose of which is to create additional value for customers, the council and the public.

3.1.2 Commodity Strategy Methodology

The purpose of the commodity strategy is to support the wider Procurement Strategy, which is **“Recognised as a procurement centre of expertise, leveraging in-house capability and a network of partners to deliver sustainable best value”**. It will balance the priorities of cost, quality, and service, and provide recommendations for the future management of the commodity.

A standard approach or 'methodology' has been developed by the CPU to ensure the consistency of all commodity strategies across the council. This standardisation will ensure that a comprehensive and robust approach is used to drive the commodity forward to ensure an appropriate plan is developed for the management of the commodity. This plan will address the unique requirements of the commodity and consider the current state, opportunities, risks, and market place in doing so. The commodity strategy will also deliver an implementation plan which will clearly define the detailed steps required to implement the commodity and deliver the identified value.

3.1.3 Contracts & Commitments

The requirements for contractual obligations are set forth in the Council's Standing Orders and the EU Procurement Regulations. These policies should take precedence over any requirements specified herein. The purpose of defining contracts and commitments here is to ensure clarity in the roles and responsibilities of the CPU and Departments.

3.2 Contract Negotiation

3.2.1 Procurement Authorisation

Only procurement officers in conjunction with Legal Services are authorised to prepare contract, tenders, commitments and commodity strategies on behalf of the Council.

The CPU and Department Heads are responsible for maintaining the Register of Procurement Officers (ROPO) and their assigned responsibility for preparing and authorising contracts as per the Standing Orders and EU Procurement Regulations. Any employees who are not named on this Register are found to be undertaking contract commitments may be subject to disciplinary action. Should departments require additional members of staff included on the Register of Procurement Officers, an application must be made using the online form to the CPU.

Before being added to ROPO and undertaking procurement, new department procurement officers must receive ROPO training.

3.3 Supplier Management

Effective supplier management is a major contributor to the Council's cost saving, and value for money. Improved supplier management reduces the total cost of acquisition, and develops relationships with preferred suppliers that maximise the benefits and opportunities for the Council. The responsibility for ongoing supplier management lies with the appropriate CPU and departments with appointed commodity ownership. Department procurement officers will be responsible for supplier management during the contract term.