



# **Corporate Procurement Plan**

2014-2016

**2016 Revision**

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## 1. Foreword by Chief Executive

This Corporate Procurement Plan sets out Roscommon County Council's procurement objectives for the period 2014 to 2016, as revised in 2016. The objectives reflect national and local procurement policies and priorities.

Roscommon County Council spends in the region of €37m annually on procuring and commissioning goods, works and services

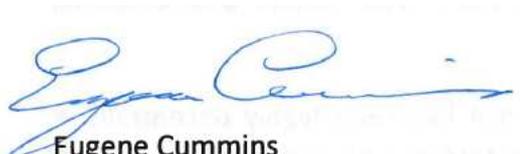
Procurement has a pivotal role in the delivery of sustainable and affordable solutions to enable the Council vision to be realised, in particular:

- The creation of innovative ways of securing goods, works and services that best meet the needs of users and the local community in its widest sense. Strategic procurement is concerned with the end-to-end process, not simply the transaction of buying. It involves understanding the Council as an integral part of the supply chain, not just a buyer of goods and services.
- The Strategy signposts the way forward for the development of a high quality Procurement and contract management culture that underpins and supports the Council's strategic objectives.

Responsibility for procurement policy, guidance, implementation and measurement of this strategy is vested in the Directors of Services and the Procurement Team. However each individual working for the organisation must be aware of the procurement regulations and ensure that at all times these are complied with in order to deliver best value for money.

As Chief Executive, I am committed to maximising the best possible use of the resources available to our organisation. A fundamental component of this approach is ensuring effective service delivery through compliant, equitable and transparent procurement systems.

This plan seeks to deliver on these objectives.



Eugene Cummins  
Chief Executive

## **1.1 Introduction**

Procurement sets the framework for the way Roscommon County Council buys services, goods or works. Compliance with public procurement rules is important in order to ensure the delivery of services in the most efficient way possible, while ensuring that the Council is legally compliant. It also enhances the reputation of the Council in terms of transparency and use of resources.

Since the first Procurement plan was produced, significant financial savings and service improvements have been made through more robust procurement arrangements.

The purpose of the Corporate Procurement Plan is: “To ensure that the Organisation’s procurement function operates in accordance with best practice and supports effective value for money purchasing while ensuring transparency and accountability.”

It provides clear and challenging aims for procurement and defines the future direction and vision for the procurement function within Roscommon County Council

The key drivers that underpin this Procurement Plan are:

- To contribute to the delivery of the planned efficiency savings targeted in the coming Financial Years;
- To support the National Procurement Policy Unit initiatives;
- To ensure value for money is being achieved; and
- To enable the strategic objectives of the Council to be met.

## **1.2 Background**

Effective procurement involves the efficient and proper use of funds for the purposes of acquiring supplies, services or works.

In recent years the profile of public sector procurement has been raised with a greater understanding of the role it can have in delivering excellent quality services, whilst consistently demonstrating value for money and increasingly driving the modernisation and efficiency agenda.

Traditionally procurement within Roscommon County Council has been highly decentralised, with directorates largely purchasing independently. This determines the need for a more strategic focus and improved management of the procurement process.

There is potential for real efficiency savings from more effective procurement practices through centralised procurement and purchasing.

There are also potential efficiencies and savings at the possibility of collaborating with other local authorities for various goods and services.

Specifically, the plan requires public bodies to include Procurement Management Reform as one of the key strategic priorities and objectives in Statements of Strategy.

Roscommon County Council has embraced the Procurement Function over the last few years and has recognised the opportunity it brings in the delivery of efficient services and the realisation of efficiencies.

### **1.3 Outcomes**

In fulfilling the requirement under the National Public Procurement Policy Framework, this procurement plan has been agreed by the Management Team and will be subject to annual review. It seeks not only to meet the obligations of the Policy Framework, but also to reinforce the Organisations commitment to effective and efficient procurement.

The main objective of this Corporate Procurement Plan is to use the principles and frameworks contained within it to;

- identify and review the Organisation's current spend profile and purchasing practices;
- assess and determine future purchasing needs from a corporate-wide perspective;
- link the procurement function to the Corporate Plan's strategic objectives because procurement is integral to the delivery of these objectives.
- set specific targets to achieve value for money objectives, including efficiency savings that are both achievable and measurable;
- lay down structures and common procedures;
- To apply a set of Regulations;
- develop organisational capacity and capability to deliver successful procurement, commissioning and contract management; and:
- To meet the objectives laid down by the National Procurement Policy Unit.

### **1.4 Achieving Best Value**

Everyone involved with non-pay expenditure throughout the Organisation should be aware of the Corporate Procurement Plan. Personnel involved with procurement should be familiar with the provisions relevant to their areas of responsibility, and how this links with responsibilities in implementing certain aspects of the plan.

Accordingly if best value is to be instilled into the organisation then it is vital that all staff involved in the procurement process have a comprehensive understanding of public sector accountability, legislative requirements and best practices in the methods and techniques involved.

The following principles apply:

- Procurement is dependent on the availability of allocated budgets, or unspent budgetary allocations, and appropriateness of expenditure to the allocated budget.
- Staff involved in the procurement process:
  - Strive to achieve value for money at all times
  - Consider the ramifications of the expenditure of public funds when they commit to commercial activity

- Obtain advice from the Head of Procurement prior to any tendering activity, to determine whether it should be conducted in accordance with the EU Procurement Regime.

It is recognised that there is potential for further savings locally in all areas of spend if Roscommon County Council aggregates purchasing strategies. In 2015 9,200 Purchase Orders were raised amounting to a Procurement Spend of €37 million.

An analysis of existing procurement practices and procedures has identified areas where we as an organisation can implement effective change. Purchases may be made, only where provision has been made for the expenditure in the budget or Capital Works Programme for the year in which the purchase is required.

## 2. Procurement

### 2.1 Procurement Legal Framework and Principles

There is a clear statutory framework that determines the processes and places limits on the procurement practices of the Council. The primary legislation underpinning procurement and this plan includes:

- a) Public Authorities Contracts Directive 2014/24/EU
- b) European Union Public Procurement Directive 2014/25/EU (utilities)
- c) European Union (Award of Public Authority Contracts) Regulations 2016
- d) European Union (Award of Contracts by Utility Undertakings) Regulations 2016
- e) Circular 10/14

There are a number of underlying principles that must be taken into account when carrying out any procurement. These principles should be applied to all procurements, regardless of value of the procurement exercise.

The awarding of contracts is subject to the principles of the Treaty of Rome and, in particular, freedom of movement of goods, freedom of establishment and freedom to provide services. The procurement principles that derive from these basic principles are:

- Transparency
- Equal Treatment
- Proportionality
- Mutual Recognition

The principles apply to all procurement irrespective of value.

**Transparency** in public procurement contracts applies to all aspects of contract award procedures, particularly:

- Being open and transparent about the procurement process
- Advertising and communicating your intentions, e.g. publishing notices in the Official Journal of the European Union (OJEU) and publishing notices in Irish government website [www.etenders.gov.ie](http://www.etenders.gov.ie) or use national media/specialist journals where appropriate. The additional use of advertisements for tenders in the National Media is generally not necessary.
- Providing the necessary information during the course of competitions
- Communicating decisions and advertising the award of EU contracts.

Breaches of Transparency would include failing to advertise contracts and/or failing to let the prospective tenderers know about key aspects of the competition such as the award criteria.

**Equal Treatment** means:

- Applying the same rules to all
- Giving everyone the same rights of access

- Making objectively fair decisions
- Treating all equally irrespective of nationality, i.e. EU, EEA, and GATT countries

Breaches of Equal treatment would include accepting offers which do not conform to the specification or changing the award criteria without advising “the market”.

**Proportionality** means:

- Ensuring that all requirements are **necessary** and **appropriate** in relation to the contract. In addition, ensuring that no excessive or disproportionate conditions, criteria or rules are applied.

Breaches of proportionality would include insisting on excessive turnover, experience, bonds/guarantees etc. This principle has particular relevance for the Small and Medium Enterprises (SME) sector.

**Mutual Recognition** must be given:

- Professional Qualifications, i.e. architects etc
- Standards and Specifications. However, these should be used as reference only, but where used must be accompanied by the phrase ‘or equivalent’ e.g. re accreditation of tenderers.

Where a particular specified material or bespoke design is being considered in procurements by Service Areas, the advice of the Procurement Unit should be sought.

Community Rules on mutual recognition of diplomas, certificates may apply when evidence is required for participation in a procurement process or a design contest. Ireland adopted EC Directive 2005/36/EC on the recognition of professional qualifications with the Irish Regulations SI 139 of 2008.

Breaches of mutual recognition would consist of unfairly excluding a company/person from a contract award procedure because they do not manufacture to a certain standard or by refusing their qualifications on unfair grounds.

## 2.2 Procurement in Roscommon County Council

The Procurement Unit was established in 2014 with responsibility for procurement operations, procurement compliance, purchase to pay process, purchasing for key spend categories and Milestone 4 implementation.

Procurement is an area that has been identified nationally for swift action in local authority reform which can produce immediate savings.

The Procurement Unit has a pivotal role in all aspects of procurement policy and practice within Roscommon County Council. The principle function of the Procurement Unit is to establish a dedicated in-house resource for Roscommon County Council so that Service Areas are assisted when undertaking the complex task of public sector procurement and to carry out centralised procurement exercises.

The Procurement Unit's main functions are;

1. Providing best procurement advice and practice to Service Areas.
2. Developing a procurement strategy in Roscommon County Council using the category management approach. (Spend Analysis of related goods and services, spend aggregation, supplier rationalisation, identify collaborative opportunities, market research, etc.)
3. Ensuring that all procurements comply fully with Procurement Guidelines.
4. Providing appropriate procurement education and training for Service Areas.
5. Liaising with Service Areas in implementing National Framework Competitions.
6. Collaborating and sharing of information with a procurement network within the Western region.
7. Contract Management. (Carry out VFM benchmarking exercises, risk management- identify, allocate & manage risk)

Service Areas **are required** to contact the Procurement Unit at **two** separate stages of the procurement process as follows;

1. When considering procurement activity valued at **€25,000 or more excluding VAT in the case of supplies or services or €50,000 or more excluding VAT in the case of works** – these are the current limits where procurements are required to be advertised on the e-Tenders website.

At this preliminary stage, the Procurement Unit will advise Service Areas regarding basic aspects of the procurement process which are applicable. The Procurement Unit will also request Service Areas to document a brief or basic specification of the proposed activity in order to further assist in the examination of the procurement.

And

2. Are required to seek the approval of the Procurement Unit prior to the formal advertising of a tender on the e-Tenders website (having finalised the brief or specification and having decided on the necessary procurement process) in order to ensure good procurement compliance.

### **2.3 Procurement Portal**

A repository for procurement documentation is available on the intranet. This site contains the up to date information regarding current procurement procedures, thresholds, tender documentation, letters, National Frameworks etc.

### **2.4 Procurement System**

In 2013 Roscommon County Council established a procurement system to gather into a single database, relevant information about the advertisement, receipt, opening, evaluation of tenders and the award of contracts from those tenders. Details of all tenders above the national (etenders) threshold must be recorded in the system in real time.

### **3. National Public Procurement Structure**

#### **3.1 Office of Government Procurement (OGP)**

The Office of Government Procurement was officially launched in July 2013 and operates as an office of the Department of Public Expenditure and Reform – (DPER).

The Government has set the Office of Government Procurement a savings target of up to €500m over three years across the entire public sector, €xx of which is to be delivered by the Local Government sector.

These savings are to be delivered by:

- (a) transforming the existing fragmented procurement model to a centre-led structure, underpinned by common policies, processes and systems and
- (b) driving a programme of collaborative savings projects across the state sector.

Traditionally, public service procurement activity is transacted by several hundred contracting authorities throughout the State. The Office of Government Procurement has taken responsibility for procurement policy and procedures and, together with four key Sectors (Health, Defence, Education and Local Government), sources goods and services on behalf of the public service.

The goods and services currently bought by the public service can be grouped into 16 categories. Eight of these categories cover goods and services that are common across the public service and the OGP will be directly responsible for these categories. The other eight categories of goods and services are predominately sector-specific. These categories will be procured by the retained sector procurement functions on behalf of all public bodies as set out in the table below;

OGP Led Categories	Sector Led Categories
<ul style="list-style-type: none"> <li>• Professional Services</li> <li>• Facilities Management and Maintenance</li> <li>• Utilities</li> <li>• ICT and Office Equipment</li> <li>• Marketing, Print and Stationery</li> <li>• Travel and HR Services</li> <li>• Fleet and Plant</li> <li>• Managed Services</li> </ul>	<ul style="list-style-type: none"> <li>• Local Government                             <ul style="list-style-type: none"> <li>– Minor Building Works and Civils</li> <li>– Plant Hire</li> </ul> </li> <li>• Health                             <ul style="list-style-type: none"> <li>– Medical Professional Services</li> <li>– Medical and Diagnostic Equipment and Supplies</li> <li>– Medical, Surgical and Pharmaceutical Supplies</li> </ul> </li> <li>• Defence                             <ul style="list-style-type: none"> <li>– Defence and Security</li> </ul> </li> <li>• Education                             <ul style="list-style-type: none"> <li>– Veterinary and Agriculture</li> <li>– Laboratory, Diagnostics and Equipment</li> </ul> </li> </ul>

**Table 3.1.1**

A Category Council has been appointed for each spend category to decide how best to source the goods or services in their category so as to both meet the needs of customer organisations and achieve the savings required by the State. Category Councils decide whether the public sector should approach the market in one or more lots, what specifications can/cannot be harmonized, how demand can be controlled, market considerations etc. Each council is made up of members who are nominated by the Departments and agencies that are the main users of the category

The OGP web site is a useful source of information and can be found at <http://www.procurement.ie> and purchasers are encouraged to register as buyers to allow them access to relevant information.

The OGP operates a significant number of national procurement frameworks that individual public bodies are entitled to drawdown. Roscommon County Council is committed to participating in the drawdown of supplies of goods and services from these competitions and avail of increased value for money for Roscommon County Council.

Details of current and upcoming frameworks are published in the Procurement Portal on Roscommon County Council’s intranet, as well as on [www.procurement.ie](http://www.procurement.ie)

The OGP also oversees the [etenders website](#), the official public procurement website , which must be used to advertise all tender competitions above the national thresholds, as well as being the portal for publishing tenders above the EU thresholds to the OJEU.

### **3.2 Local Government Strategic Procurement Centre (LGSPC)**

A Strategic Procurement centre for the Local Government Sector has been established initially under the aegis of the Project Management Office for Local Government Efficiency Review, and is now subsumed into the Local Government Management Agency. The function of the LGSPC is to lead the reform of procurement in the local government sector and to co-ordinate and support the sector in its interactions with the procurement reform agenda.

### **3.3 Local Government Operational Procurement Centre**

The Local Government Operational Procurement Centre has been established in Kerry County Council to lead and co-ordinate the operation of frameworks on behalf of the sector, and in particular to put in place frameworks for the Plant Hire and Minor Works spend categories that are the responsibility of the Local Government sector.

The LGOPC operate a website – [www.supplygov.ie](http://www.supplygov.ie) – as a portal to manage mini-competitions under frameworks operated by the LGOPC.

There is also a quick quote facility for numerous categories of both goods and services and a separate website [www.labitumen.ie](http://www.labitumen.ie) which caters for the supply and delivery of bitumen to the local authority sector.

#### 4. Procurement Threshold

In procuring a good/service or a works contract, the first thing to be determined is the likely purchase value. This value will determine the procurement route taken as different procedures apply above and below EU and National Thresholds. It should be noted that the likely value is the full value of the spend in the lifetime of the contract, including any possible extensions to the duration or scope of the contract.

All EU Directives/National Regulations governing public sector procurement in Ireland can be accessed (1) on the national public procurement website, [www.etenders.gov.ie](http://www.etenders.gov.ie), under Guides / Policy and Legislation and (2) on the Council's Procurement page on the Intranet, (3) the construction web site [www.constructionprocurement.gov.ie](http://www.constructionprocurement.gov.ie) and (4) the OGP web site [www.procurement.ie](http://www.procurement.ie).

##### 4.1 Roscommon County Council Thresholds

In procuring goods and services and works the following thresholds apply to Roscommon County Council.

Contract Description	Low Value Definition (min 1 quotation) (1)	Intermediate Value Definition (min 3 written quotations) (2)	High Value Definition (Full Tender Process – advertise on e-tenders) (3)
Goods and Services	Up to €1,000	€1,001 to €25,000	€25,000 to EU Limit
Works	Up to €5,000	€5,001 to €50,000	€50,001 to EU Limit

**Table 4.1.1**

All figures are excl. VAT

Notes:

- (1) A single written quotation may be accepted by means of a formal purchase order.
- (2) A minimum of three written quotations must be invited from bona-fide tenderers.
- (3) A Contract award notice must also be published on award of contract for all tenders advertised on etenders

#### 4.2 Roscommon County Council Purchase Order Approval Limits / Authorisation Limits for Entering Contracts

The following limits PER PURCHASE ORDER, will apply, to the approval of orders on the Agresso Purchase Order Processing system. Approval of purchase orders is limited, to the Cost centres for which an officer/employee of the grades set out below, has a certifying role.

Post Holder	Purchase Order Approval Limit €
Chief Executive	Over 1,000,000
Head of Finance, Director of Services	100,000 to 1,000,000
Senior Engineer, Chief Fire Officer, Financial \ Management Accountant, Senior Executive Officer, Head of IT, County Librarian, Senior Planner, Resident Engineer	25,000 to 100,000
Administrative Officer, Senior Executive Engineer, Senior Executive Planner, Assistant Chief Fire Officer, Assistant Resident Engineer	10,000 to 25,000
Executive Engineer, Executive Planner, Senior Staff Officer, County Veterinary Inspector, Arts Officer, Assistant Librarian, Senior Executive Technician, Civil Defence Officer, Clerk of Works	Up to 10,000
Assistant Engineer, Staff Officer, Executive Technician, Heritage Officer	Up to 5,000

**Table 4.2.1**

**Notes:**

- Please note tender documentation should be passed to the authoriser when approving purchase order.

#### 4.3 EU Thresholds

Thresholds (exclusive of VAT) above, which advertising of contracts in the Official Journal of the EU, is obligatory, applicable from 1<sup>st</sup> January 2014 to 31<sup>st</sup> December 2016<sup>1</sup>:

<b>Works</b>		
Contract Notice	€5,225,000	Threshold applies to Government Departments and Offices, Local and Regional Authorities and public bodies
<b>Supplies and Services</b>		
Contract Notice	€135,000	Threshold applies to Government Departments and Offices
Contract Notice	€209,000	Threshold applies to Local and Regional Authorities and public bodies outside the Utilities sector
<b>Utilities</b>		
Works Contracts / Prior Indicative Notice	€5,225,000	For entities in Utilities sector covered by GPA
Supplies and Services	€418,000	For entities in Utilities sector covered by GPA

**Table 4.3.1**

#### 4.4 Consultants

Roscommon County Council occasionally engages consultants normally on a fee basis, for a limited period of time to carry out a specific self-contained task or project. The appointment of consultants is a function for the Chief Executive. Consultants can only be retained once their employment has been approved by a Chief Executives's Order.

<sup>1</sup> Thresholds are revised every two years. Full and up to date thresholds can be confirmed via the EU public procurement website <http://simap.eu.int>

In deciding to engage consultants, value for money is paramount. The Organisation must therefore be satisfied before reaching a decision to engage consultants that the benefits will outweigh the likely cost.

The main value for money indicators should be determined and advice sought from the Procurement Team prior to engagement of any consultants.

#### **4.5 Tender Opening Procedures**

All tenders received from competitions operated by Roscommon County Council must be opened only in accordance with the procedures outlined at Appendix II hereunder.

#### **4.6 Award of Contract**

All contracts with an estimated value of greater than €25,000 (for goods and services) or €50,000 for works must be awarded formally by Chief Executive Order, and a written contract must be signed by all parties to the contract. Where a contract has been awarded following a publicly advertised tender competition, a Contract Award Notice must be published on etenders (or Supplygov.ie as appropriate), and the details recorded on Roscommon County Council's Procurement System.

#### **4.7 Freedom of Information**

The Freedom of Information Acts 1997 and 2003 assert the right of members of the public to obtain access to official information to the greatest extent possible consistent with the public interest and the right to privacy of individuals. All records, including procurement records, created from the commencement of the Freedom of Information Act, 1997 (21<sup>st</sup> October, 1998 in the case of local authorities) come within the scope of the Acts.

The Council is not in a position to give guarantees of confidentiality. However, a series of exemptions in the Acts make provision for the protection of sensitive information. The full text of the FOI Acts and various guidance documents can be accessed on [www.foi.gov.ie](http://www.foi.gov.ie).

The EU Treaties set out the principles of fairness and openness in public procurement. These principles will always apply, irrespective of the value of a particular contract, and complement FOI.

Roscommon County Council is also obliged, under its Freedom of Information publication scheme to publish details of all tenders advertised and awarded above €25,000 (or €50,000 in the case of works contracts).

#### **4.8 Disability Act 2005**

Part 3 of the Disability Act 2005 places significant responsibilities on public bodies to make their services accessible to people with disabilities. The overall objective is that each local authority will ensure that, as far as practicable, any new service or built facilities provided by it after the commencement of the Act is/are accessible to persons with disabilities.

Under section 27 of the Act each public body is required to ensure that the goods or services that are supplied to it are accessible to persons with disabilities, unless it would not be practicable or justifiable on cost grounds or would cause an unreasonable delay in making the

goods or services available. This will relate to a wide range of goods and services including equipment, materials, information technology, etc. Section 27 of the Disability Act 2005 came into operation on 31 December 2005 and all procurement exercises on behalf of Roscommon County Council must have regard to the Council's legal obligations under the terms of this legislation.

## **5. Overview of Procurement Activity**

### **5.1 Procurement Approach**

Strategic Procurement is carried out by both the Procurement Unit and a range of managers within the Council with a far broader range of people being involved in the transactional purchase to pay process.

A comprehensive review identified opportunities for procurement management reform.

The review looked at two key elements:

- An analysis of Roscommon County Council's spend profile
- An examination of the organization's procurement capacity and function

The finding of both exercises formed the basis of updating this procurement plan. The spend analysis provided a profile of expenditure by product category, supplier and department. It also identified the number of purchase orders and value of them also. This provided a picture of the transactional activity and has identified where process efficiencies may be achieved either as individual units or through aggregation with other purchasing departments.

Separate exercises investigated the procurement capacity and function of the organization and involved:

- (i) consulting budget holders and buyers;
- (ii) reviewing existing internal policy documents;
- (iii) identifying information deficits, and
- (iv) observing/monitoring purchasing practices.

The aim of the plan is to deliver effective, professional and well-managed procurement. It provides clear and challenging aims for procurement and defines the future direction and vision for the procurement function within Roscommon County Council.

Roscommon County Council must always strive to be cost effective and efficient in the use of its resources while upholding the highest standards of probity and integrity. Procurement practices are subject to audit and scrutiny by the Local Government Audit Service.

The focus of this document is on strategic procurement but efficiency within the purchase to pay process is also important in terms of delivering benefits. The following principles apply wherever procurement or purchasing is undertaken:

- Challenge if goods and services to be procured are required at all;
- Be clear about what we wish to procure;
- Allow sufficient time for the Procurement; and
- Comply with the Regulations appended to this Plan

The Directors of Services shall play a lead role in the implementation of these principles and promote a culture of efficiency, effectiveness and economy within their areas of delegated responsibility.

To obtain the best value across the Local Authority spend, it is crucial that each spend area is identified with the appropriate approach adopted to maximise the use of resources. It is recognised that there is enormous potential for savings in all areas of spend where the local authority can aggregate purchasing strategies.

An analysis of existing procurement procedures will outline areas where we as an organisation can implement effective change.

A procurement function is established to support these activities and to ensure that the purchasing practices in Roscommon County Council are continuously evaluated and improved. This is a challenging agenda which will seek the cooperation and support of all areas and departments in order to be successful. In practical terms it requires a stronger focus on procurement planning, information sharing and collaboration between the different purchasing units throughout the Local Authority. **It is the role and responsibility of all Council employees to embrace the principles of efficiency, effectiveness and economy in the workplace.**

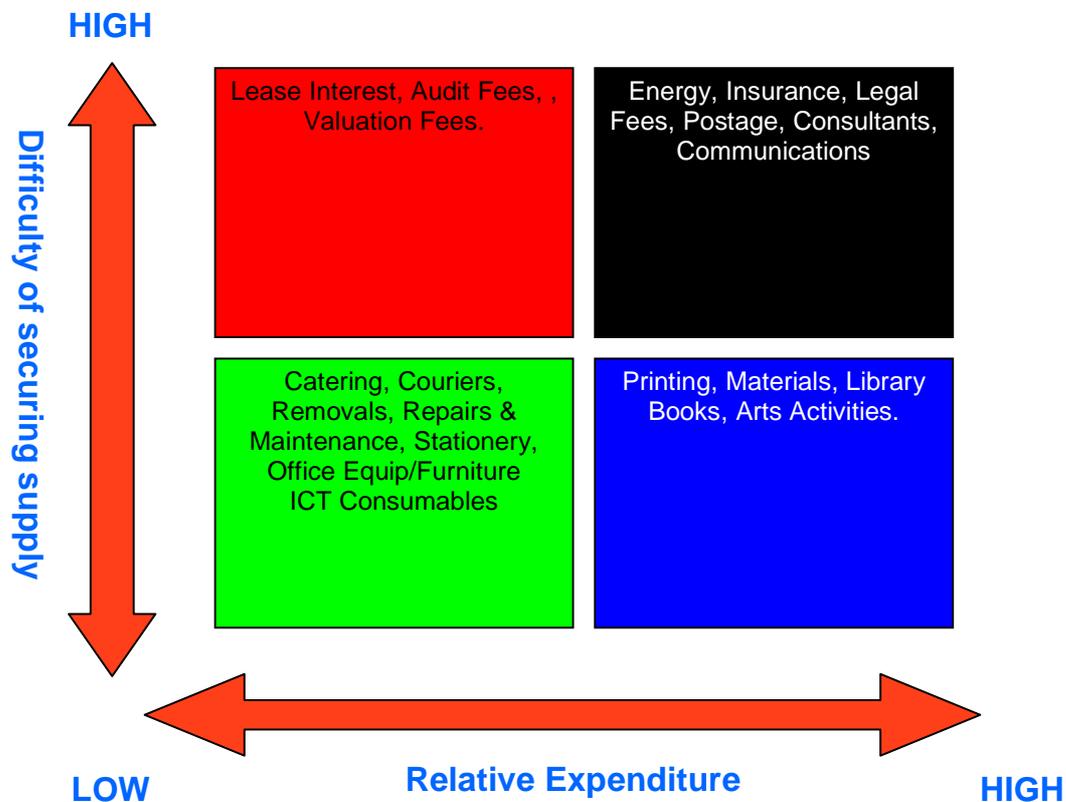
Value for money (VFM) is defined as providing a service in a way which is economical, efficient and effective;

- (a) Economy means doing things cheaply
- (b) Efficiency means doing things well
- (c) Effectiveness means doing the right things

The following matrix profiles Roscommon County Council's procurement activity in the context of the relative size of expenditure the various categories of goods and services, and the difficulty in securing supply for these categories. Through this, critical areas of expenditure and significant purchases can be identified. This is the starting point for further demand and supply market analysis, through which organisations can develop strategies to support their business objectives.

To determine the true value of the procurement exercise each category of spend is separated into one of four boxes, and the appropriate procurement approach for each category is based upon this model.

**Supply Positioning Matrix for Roscommon County Council**



The expenditure in the **'green' box** refers to routine expenditure; with low relative expenditure and low difficulty of securing supply. This expenditure has a high level of purchasing transactions. The transactions costs associated with purchasing these items are often high, leading to high administrative costs relative to the value of the items themselves.

Because the overall spend here is low, huge savings will not accrue to improvements in this area. A small amount of procurement effort should be spent here to improve the administrative processes. There is little opportunity to aggregate demand to improve buying power.

**Potential Supply Strategies**

**1. Minimise Transaction Costs**

Reducing the number of invoices generated

Streamline purchasing in this area

Buy from competitive suppliers where VFM can be demonstrated

The expenditure in the **'blue' box** refers to high relative expenditure with low-moderate difficulty of securing supply. Here the council may be able to exert some leverage over suppliers. This also results in a high level of invoices.

Goods and services in this category are generally commodity type items available from stable supply markets. They are items that are commonly used across the organisation, often in high volumes and with the individual transactions being of low value.

**Potential Supply Strategies**

**1. Drive Total Costs Down**

Exert leverage over suppliers  
Secure/negotiate unit price reduction  
Simplify buying practices that reduce transaction costs  
Aggregate demand with a few suppliers to gain volume discounts  
Collaborate with other Local Authorities when procuring common goods/services.

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The expenditure in the **'red' box** refers to a relatively low level of expenditure, with a high difficulty of securing supply. This is where the market is constrained and there are a limited number of suppliers. These items collectively make up a very small proportion of the total expenditure on purchased items. Goods and services in this category are usually highly specialised and there are often very few potential suppliers.

**Potential Supply Strategies**

**1. Ensure Continuity of Supply**

Reduce the organisation's vulnerability in the market  
Actively identify alternative sources of supply  
Change the demand requirement  
Develop stronger relationships with key suppliers

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The expenditure in the **'black' box** refers to a high relative expenditure and high difficulty of securing supply because of limited number of suppliers. Goods and services in this category are often a complex 'bundle' or 'package' of services and associated goods that are critical to the organisation's services delivery.

**Potential Supply Strategies**

**1. Manage the Supplier Base**

Long-term relationships with suppliers  
Develop effective contract management practices

Whilst the individual procurement approach will vary by contract the overall priorities of how we approach procurement/commissioning within the Council should be based on these principles

**5.2 Volume of invoices**

Processing invoices adds no value to contracts and is resource intensive, therefore the fewer invoices received, the better for Roscommon County Council.

Suppliers or categories of supplier, with a high volume of invoices, or ratio of invoices to spend, under €500 are costly for the Council to administer and offer little value for money.

Results of the analysis in 2012 showed a clear opportunity for invoice reduction in that 12,000 invoices (69% of the total invoice burden) were for less than €500 per invoice and represented a massive non-value stream effort on limited resources.

It is appropriate for the Council to consider methods of delivering more efficient procurement of low value, high volume purchases with a view to reducing the invoice burden. This will involve the introduction of low value purchase cards to selected users within the organisation.

## **6. CONCLUSION**

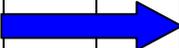
The goal of this plan is to deliver value for money whilst at the same time ensuring compliance with public procurement law. This means continuously examining spend in all non pay related activity and shifting to new procurement and purchasing paradigms which are not restrained by a rigid adherence to the departmental silos which have characterised the organisation to date.

The successful implementation of this plan will require leadership from the Management Team along with the support and commitment of the elected members, budget holders, buyers and other stakeholders in pursuit of the objectives of this plan. In so doing, a significant and valuable contribution will be made to the delivery of the objectives of our corporate mission statement and to the people of Roscommon by providing the best possible level of service.

The Procurement Team will be reporting on progress against this plan quarterly and will be continuously examining opportunities for improving procurement practices and procedures.

## Appendix 1 – Proposed Action Plan

ORGANISATION AND LEADERSHIP			Timeframe					Remarks- Revision	2016
Key Issues	Implementation	Lead	Q4 '15	Q1 '16	Q2 '16	Q3 '16	Q4 '16		
1. Management Commitment to Procurement.  Accountability for delivery of services, managing service specific contracts and compliance with the Contract Regulations, whilst monitored by the Procurement Team remains with individual Directors of Services.	Ownership throughout the directorates of the Procurement Plan.  Update the County Manager quarterly.	Management Team and Procurement Team						This is an ongoing action.	
2. Necessity for New Procurement Team  A properly resourced Central Procurement Team is to be established to deliver on procurement related objectives and initiatives.	Constitute a properly resourced procurement team to meet the procurement needs of the Council to deliver in line with the agreed terms of reference sanctioned by the Senior Management Team.	Management Team						Procurement Team established following implementation of MS4	
3. Generate savings throughout the organisation.	Contribute towards the delivery of procurement related savings.	Management Team and Procurement Team						Ongoing	

ORGANISATION AND LEADERSHIP Continued,			Timeframe					Remarks- 2016 Revision
Key Issues	Implementation	Lead	Q4 '15	Q1 '16	Q2 '16	Q3 '16	Q4 '16	
4.	Deliver procurement awareness training to those involved in procurement activity across the council.	Procurement Team to deliver procurement awareness training to those involved in the procurement process.	Procurement Team					Updated Procurement Awareness training planned for key staff Sept. 2016
5.	Ensure compliance with the new procedures and new plan	Deliver and apply regulations, procedures and policies within Roscommon County Council.	Procurement Team					Measure compliance on an ongoing basis

PROCUREMENT PERFORMANCE MANAGEMENT										
	Key Issues	Implementation	Lead	Q4 '15	Q1 '16	Q2 '16	Q3 '16	Q4 '16	Remarks- Revision	2016
1.	Reduce the volume of invoices.	Reduce low value high volume invoice burden by <ul style="list-style-type: none"> <li>• framework contracts</li> <li>• monthly invoicing</li> <li>• examination of Procurement Card Systems</li> <li>• Introduction of e-invoicing (Load sheets)</li> </ul>	Procurement Team / Finance						Purchasing Cards deferred. Ongoing measurement of invoice volume	
2.	Monitor compliance and identify best practice in other Local Authorities and OGP.	Monitor procurement performance across the Council and identify best practice in other local authorities and the OGP.	Procurement Team						Procurement Officer, attends LG Procurement Forums and is a member of national Procurement Advisory Board and OGP Professional Services Category Council	
3.	Compile approved suppliers in various departments within Roscommon County Council.	Develop a list of approved suppliers.	Procurement Team with input from Departments on current contracts and suppliers.						Preparation of Contracts database to be completed end of Q3.	
4.	Manage the number of suppliers in the system.	Rationalise supplier base and ensure compliance with EU regulation.	Procurement Team/Finance						BPI implemented Q4 2014	

REVIEWS									
	Key Issues	Implementation	Lead	Q4 '15	Q1 '16	Q2 '16	Q3 '16	Q4 '16	Remarks- 2016 Revision
1.	Undertake in-depth reviews to identify further areas of opportunity	Contribute and provide assistance to review of Stores.	Procurement Team / Roads Dept/Other						Stores closed June 2015
		Strategic review of the vehicle fleet usage and procurement, and machine usage and procurement.	Procurement Team / Roads Dept/Other						Plant Management Centralised in roads Q2 2016, review ongoing
		Review of fuel purchasing	Procurement Team / Roads Dept.						Monitoring Use of Fuel Cards ongoing

SUPPLIES MANAGEMENT AND DEVELOPING MARKETS									
	Key Issues	Implementation	Lead	Q4 '15	Q1 '16	Q2 '16	Q3 '16	Q4 '16	Remarks- 2016 Revision
1.	The procurement processes used by public service can be bureaucratic. The Local Authority needs to move to being a more attractive customer so that companies take a commercial view of the value of Roscommon County Council's business.	Review advertising policy Invite suppliers to Meet the Buyer Local event	Procurement Team / LEO						Procurement Officer attends Meet West 2014, 2015. SME briefing conducted with LEO March 2015
2.	In some procurement areas new forms of provision may need to be encouraged, whilst in other areas fewer suppliers are needed.	Reduced supplier base for Library Books. Reduce invoicing. Work collaboratively with other Councils and the OGP.	Procurement Team/Library Dept.						Deferred pending review of Library Structure
3.	Review of all national OGP framework agreements/contracts that the Local Authority can take up.	Ensure the Local authority are aware of current national contracts that are available to the local authority	Procurement Team / Corporate Dept.						Measure against current performance, report bimonthly to Management Team
4.	Current legal spend is isolated and not subject to challenge.	Review spend on Solicitors and consider options for improvement.	Procurement Team/ Finance/Other						National Framework being evaluated Q2 2016



## **Appendix 2**

### **Procedure for the Reception, Storage & Opening of Tenders**

Tenders may be invited by Roscommon County Council in either hard copy format or as electronic tenders, depending on the instructions within the individual tender competition.

#### **A) Hard Copy Tenders**

Tenders for the supply of goods, services or works, which are required to be submitted in hard copy shall be received, stored and opened as follows:-

- It shall be clearly stated in the Instructions to Tender for all competitions that Tenders shall be submitted in a sealed envelope or package addressed to Corporate Services, Áras an Chontae, Roscommon, Co. Roscommon, and endorsed with name (and reference if relevant) of the tender competition to which it relates.
- Staff accepting tenders shall:
  - ⊕ Check that the package is marked with the name of the tender — Tender for *[name of tender]*
  - ⊕ Ensure the package is fully sealed.
  - ⊕ Initial, Date Stamp and Record the Time of Receipt on the package.
  - ⊕ Record details of the Tender in the Tender Log / Register as they are received
- Storing Tenders:

All Tenders duly received shall be immediately placed in the safe in Corporate Services. Tenders shall not be removed from the safe other than by the tender opening committee.

- Opening Tenders:

#### **Attendance at Opening of Tenders:**

All hard copy tenders shall be opened by a tender opening team comprised at a minimum of;

1. An elected member of Roscommon County Council
2. An SEO or equivalent grade who is not in the section or unit responsible for the tender competition; and,
3. A member of the Procurement Team.

The person running the tender competition shall be responsible for ensuring that the tender opening committee is properly constituted and that all relevant procedures have been complied with.

All staff present at the tender opening must sign the Tender Log.

#### **Methodology for Opening of Tenders:**

- ⊕ The required information in relation to each tender received must be recorded on the Tender Log, as issued by the Senior Executive Officer for the tender opening.
- ⊕ Prior to opening tenders, each tender should be examined to ensure that it was received prior

to the closing date and time.

- ⊕ In the event that late tenders are identified, they should not be opened, unless it is necessary to do so in order to establish who submitted the late tender.
- ⊕ Late tenderers should be notified immediately, by the relevant section that their tender was received late and cannot be considered for evaluation and the late receipt of the tender must be recorded on the tender log. Late tenders should not be returned to the supplier but should be retained with other tender documentation.
- ⊕ Each tender received prior to the closing date and time should be opened, signed and dated by each member of the tender opening committee.
- ⊕ A number should be allocated to each tender as it is opened and this number should be recorded on both the tender and on the Tender Log
- ⊕ The date and time that each tender was received, together with the name and address of each tenderer and the tender value must also be recorded on the Tender Log.
- ⊕ Following the completion of the tender opening, the completed Tender Log must be returned for inclusion in the Tender Register retained by Corporate Services, with the relevant section retaining a copy of same for the relevant procurement/project file.
- ⊕ **Following completion of the tender opening, it is the responsibility of the person running the tender competition, that all details are recorded in Roscommon County Council's Procurement System.**

## **B) Electronic Tendering**

- **Using Electronic Tendering**

Every Instructions to Tender document must give a clear instruction on whether tenders are to be submitted in hard copy or electronically.

Electronic tenders may only be accepted through the tender post-box on etenders, or where relevant through the Supplygov.ie website for mini-competitions on LGOPC Frameworks.

The ITT for a tender competition must specify the format required for electronic files submitted. Hard copy submissions cannot be accepted in cases where the ITT states that submissions/responses will only be accepted electronically by using the tender post-box facility on the e-tenders website. It is advisable to use either electronic tendering or hard copy tendering, but not a mixture of both to avoid the possibility of ambiguities and discrepancies between formats.

- **Opening electronic tenders**

Tender responses are held in the secure online post-box until the deadline for responses has expired. A tender opening committee must be predefined when publishing a tender, and the tenders can only be accessed after all members of the tender opening committee identified on etenders for that competition have “opened” the tender.

It is Roscommon County council’s policy that the tender opening team for electronic tenders must consist of at least;

- A member of staff at SEO or equivalent grade, **who is not** in the section/unit responsible for the tender competition
- A member of staff from the Procurement Team
- The person responsible for operating the tender competition.

Selected members of an authority then, ‘unlock’ the post-box to access the submissions for further evaluation. Hard copy submissions cannot be accepted in cases where the ITT’s state that submissions/responses will only be accepted electronically by using the tender post-box facility on the e-tenders website.

**A full audit trail is kept of all access to the post-box and a complete record of all supplier submissions is stored. It is not therefore necessary to record details of electronic tenders received in the Tender Log, but the Procurement System should be updated with the relevant details.**

