Comhairle Contae Fhine Gall
Fingal County Council

CORPORATE PROCUREMENT PLAN

2016 - 2018

22nd March 2016

Contents

1. Public Procurement Reform

One of the priorities in the Public Sector Reform Plan (2011) is to achieve reduced costs and better value for money through procurement reforms. A target procurement saving of €500m was set for the entire public sector for 2014-2016. The reform, principally a transition to greater use of centralised contracts and frameworks by the public sector, is coordinated and driven by the Office of Government Procurement (OGP) with the support of four key sectors (Health, Defence, Education and Local Government).

The OGP have adopted a Category Council model with sixteen Category Councils, comprising representatives from the various sectors, each operating to address a particular category of spend across the Public Sector. The role of each Category Council is to develop the category management strategy including policy setting, demand management, sourcing strategy and executive decision-making on strategic sourcing initiatives, including implementation and compliance measurement.

The Report of the Local Government Efficiency Review Group highlighted potential savings of €70m though procurement reform across the Local Government Sector. The Local Government Strategic Procurement Centre (LGSPC) was established in 2014 to support the local government sector play a meaningful role in the reform of procurement, as well as to develop the procurement function, processes and systems in local authorities.

The Local Government Operational Procurement Centre, based in Kerry County Council, leads two categories on behalf of the public sector, Minor Works and Plant Hire.

Whilst, the establishment of the Office of Government Procurement represents a key milestone towards centralised procurement for the entire public service, the procurement of supplies, services and works not covered by national centralised procurement arrangements will remain with Fingal County Council. Fingal County Council as the contracting authority under national centralised procurement arrangements and as procurer in its own right for all other procurement activity remains accountable for all procurement it conducts.

As such it is imperative that Fingal County Council ensures it has suitable policies, procedures and systems in place to ensure compliance, achieve value for money outcomes and to manage risks related to procurement, while supporting service delivery.

The Corporate Procurement Plan provides an opportunity for Fingal County Council to identify procurement objectives and outline how they will be delivered over the lifetime of the plan.

2. Introduction

2.1 Requirement for a Corporate Procurement Plan

This Corporate Procurement Plan, as required under Section 15 (Procedures for Procurement) of the Code of Practice for the Governance of State Bodies and the National Public Procurement Policy Framework, sets out strategic objectives for improved procurement outcomes and measures to achieve these objectives. The Corporate Procurement Plan provides an opportunity for Fingal County Council to identify and state its procurement objectives and how these will be delivered over the lifetime of the plan.

The Fingal County Council Corporate Procurement Plan 2016 - 2018 will ensure that the procurement function formally supports the Council's key corporate objectives and is focused on delivering value for money outcomes through purchasing strategies that are consistent with EU and National procurement legislative and/or policy requirements.

The Plan will assist in the identification and review of the current procurement practices in the organisation and will link procurement to the Council's strategic objectives. The Plan also provides clear and challenging objectives and defines the future direction for the procurement function within Fingal County Council while building on the achievements of the Fingal County Council Corporate Procurement Plan 2009-2011.

2.2 Objective of a Corporate Procurement Plan

The objectives of a Corporate Procurement Plan can be summarised as follows:

5 To provide and strengthen governance for procurement within Fingal County Council.

6 To ensure the Council **complies** with Public Procurement Directives, Legislation, Circulars and other legal requirements, and that staff engaged in procurement also adhere to the Council's procurement policies and procedures.

7 To support **service delivery** by the Council and fulfill the **strategic objectives** in the Council's Corporate Plan.

8 To achieve greater **value for money** for the Council by
   - ensuring that purchasing is carried out in a collaborative and strategic manner;
   - reviewing and streamlining existing procurement processes;
   - identifying opportunities for savings by utilising national and regional collaborative arrangements.

9 To facilitate **economic, social or environmental objectives** through procurement by
   - identifying opportunities for social or green procurement;
   - engaging with businesses and suppliers.

2.3   Development of the Corporate Procurement Plan

A strategic approach to Procurement involves six key dimensions of procurement capability which are aligned to the Corporate Procurement strategy in this Plan.

The Corporate Procurement Plan uses this strategic approach to provide a platform for expenditure and procurement function analysis set out in Fig. 1.

2.4   Approval and Implementation of the Corporate Procurement Plan

Following the preparation of a draft Corporate Procurement Plan, a consultation process was carried out with all staff involved in procurement activities facilitated by members of the cross-department Procurement Liaison Group.

The Corporate Procurement Plan was approved by the Chief Executive and Executive Management Team on 22nd March 2016.

Overall responsibility for the implementation of the Corporate Procurement Plan is assigned to the Director of Corporate Affairs and Governance who is supported by the staff of the Procurement Unit.

The implementation of the objectives and specific goals over the lifetime of this Corporate Procurement Plan will assist in the delivery of Fingal County Council's Corporate Plan 2014-2019. The Chief Executive and the Executive Management Team will play a lead role by promoting a culture of compliance, transparency, best practice procurement, sound risk management and the achievement of value for money outcomes. The Corporate Procurement Plan will be subject to ongoing review in light of further reform within local government and the wider public sector. Annual progress reports will be produced in accordance with the reporting requirements of the Plan.

2.5   Communication of the Corporate Procurement Plan

The preparation of the Corporate Procurement Plan is a key instrument of communication with stakeholders on the direction of procurement reform within the Council and to contribute to its development. Accordingly, it is imperative that that all staff are aware of the adoption of the

Corporate Procurement Plan, its key objectives and the ongoing monitoring of progress to meet the stated objectives.

The Procurement Unit will promote the awareness of the Corporate Procurement Plan through existing communications channels and arrange information sessions for all staff.

3. Procurement Overview

3.1 Organisation Structure

Procurement in Fingal County Council is mainly a decentralised function, where individual directorates or departments are responsible for ensuring their sourcing requirements are met while operating to best procurement practice and compliance with relevant legislative, regulatory and policy requirements.

Procurement responsibility is delegated to many staff members at directorate, department and section level throughout the Council. During the procurement process, buyers must be cognisant of complex Public Procurement requirements in tandem with strategic value adding procurement activities such as strategic sourcing and contracting.

The Procurement Unit situated within the Corporate Affairs and Governance Directorate is responsible for central oversight and performance measurement of procurement activities while providing advice to staff on all aspects of procurement including the tender process, establishing appropriate evaluation criteria, evaluation methodologies, award notification and contract management.

The current devolved procurement model with decentralised purchasing authority and centralised oversight / advice requires that healthy relationships between individual Departments and the Procurement Unit are maintained to ensure positive procurement outcomes. The use of procurement "champions" within each department and their representation on a cross-department Procurement Liaison Group has been beneficial in this regard and has laid a foundation for improvement in to the future. This will be critical going forward with requirements to engage in more comprehensive collaborative procurement opportunities and more detailed performance reporting to external bodies such as Local Government Management Agency (LGMA) and Office of Government Procurement (OGP).

3.2 Procurement Policies and Procedures

The Council has a number of policies and procedures in place to guide staff involved in the procurement of supplies, services and works:

1. Procurement Policy (published 19th February 2015)

2. Procurement Procedures Manual (published 22nd May 2015)

3. Purchase to Pay Manual (published 14th August 2015)

4. Procurement approval function within the purchase requisition process following the roll-out of Agresso MS4 in June 2015

The Council's procurement policies, procedures and supporting manuals have been prepared in the context of complying with EU Directives, Legislation and Government Policy. A key feature of Government Policy is that public bodies are required to make use of collaborative

procurement arrangements established by the OGP, the local government sector or other public bodies which is set out in further detail in Section 3.3.

The OGP have also developed a standard suite of tender and contract documents for use across the public sector to ensure a consistent approach while safeguarding procurement processes. Where available, these documents must be used for all contracts publicly awarded by the Council above €25,000 without exception.

The Procurement Policy, supporting manuals and OGP template documents are available to staff through existing communications channels

3.3   Procurement Capability

There are varying levels of procurement capability throughout the organisation. A procurement upskilling programme has been in progress since 2014 and to date in excess of seventy staff have received formal training. This will be developed further during the lifetime of the Plan.

3.4   Collaborative Procurement Hierarchy

A developed procurement hierarchy now exists within local government and the wider public sector (Fig. 2.) Emerging legislation and central Government policy will continue to shape the approach to procurement. This involves a procurement hierarchy prioritising participation in public sector, local government or regional procurement approaches over standalone local procurement.

Engagement with national and local government arrangements ensures that the purchasing power of the public sector is leveraged using purchasing aggregation as a mechanism to bring value for money outcomes. It will also reduce costs incurred in conducting procurement processes. All staff involved in procurement must work to ensure that all such contracts and frameworks are fully utilised throughout the organisation where appropriate.

Public Sector Collaboration
Local Government Sector Collaboration
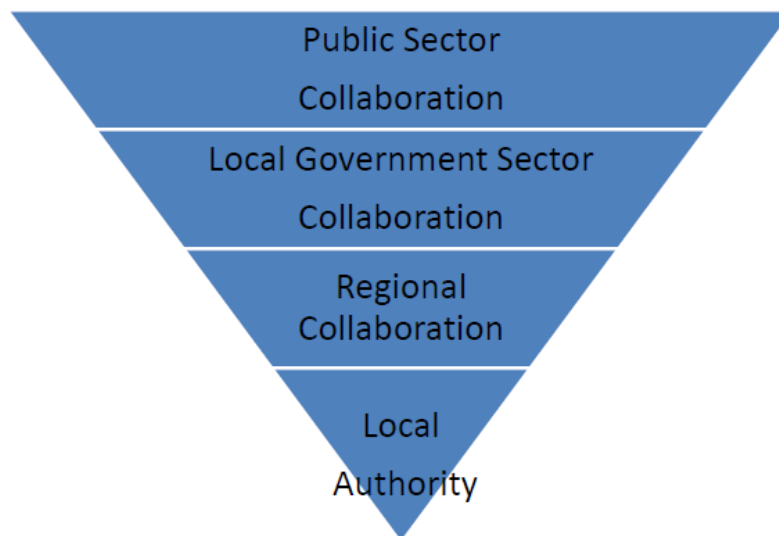Regional Collaboration
Local Authority

Fig.2

Public sector procurement at national level is undertaken by the OGP who have classified procurement into sixteen categories of expenditure as follows:

1. Professional Services
2. Facilities Management, Maintenance
3. Utilities
4. ICT & Office Equipment
5. Marketing, Print & Stationery
6. Travel Training & HR Services
7. Fleet & Plant
8. Managed Services
9. Minor Building Works & Civils
10. Plant Hire
11. Medical Professional Services
12. Medical & Diagnostic Equip & Supplies
13. Medical, Surgical & Pharma Supplies
14. Laboratory, Diagnostics & Equipment
15. Defence
16. Veterinary & Agriculture

Each category is supported by Category Councils, comprising representatives from the various sectors, each operating to address a particular category of spend across the public sector.

The OGP operate the eTenders.ie procurement website for publishing requests for tenders. They have also established frameworks / contracts for use by the public sector as a key strategy to ensure a strategic procurement approach.

At local government sector level, the LGOPC operates the SupplyGov.ie procurement system and leads on two categories: Minor Works and Plant Hire. Each local authority also participates on regional procurement groups to ensure collaboration at regional level where national or sector arrangements are not in place or do not meet requirements.

National and local government arrangements are published on www.procurement.ie and www.supplygov.ie.

3.5   Public Procurement Thresholds

Public Procurement requirements prescribed in EU Directives, Legislation and Government Policy define procurement thresholds, based on contract value, to determine different rules on the advertisement of contracts and the procurement procedures to be followed.

Greater than €209,000 (supplies/services) Greater than €5.225 m (works)	Greater than €25,000 (supplies / services) Greater than €50,000 (works)	Less than €25,000 (supplies / service) Less than €50,000 (works)
• Public advertisement - OJEU / eTenders	• Public advertisement – eTenders • Public advertisement - OJEU (optional)	• Quick Quotes (eTenders) • RFQ (Supplygov) • RFQ (local)

Fig.3

3.6   Mission Statement

Fingal County Council is committed to the compliant procurement of supplies, services and works to meet our requirements which are compliant with Public Procurement requirements and in line with best practice procurement to achieve value for money outcomes in the delivery of services to the citizens of Fingal.

In all its procurement and purchasing activities, the Council and its staff will, at all times, endeavour to:

- Comply with EU and National Public Procurement requirements,
- Achieve optimum value for money,
- Follow best procurement practice, seeking to achieve Government and Council procurement policy objectives.
- Promote an increasingly sustainable approach to the Council's procurement activities in terms of environmental, social and financial considerations and requirements, within applicable legislative constraints.

4. Expenditure Analysis

4.1   Introduction

Understanding how much an organisation spends, with whom it is spent and on what it spends is the first step to improving the effectiveness of the procurement process.

Expenditure data was extracted from the Council's financial management system (Agresso MS4) for the period 1st January 2011 to 31st December 2015 to enable a transaction and supplier analysis.

The correct use of local product codes and accurate description of purchases on purchase orders is fundamental to ensuring meaningful expenditure analysis. During the expenditure analysis phase, it became evident that the widespread use of products of a general nature, poor descriptions on purchase orders and inconsistencies in the product codes used for the same suppliers in respect of similar supplies/services would weaken the expenditure analysis.

The expenditure data extracted is categorised by account element which is the income and expenditure categorisation method used in local authorities. This provides a high level analysis of procurement spend. However, for the reasons outlined in the above paragraph, it was not possible to map the expenditure data to the National Product Codes and thereby provide analysis at the highest level using the sixteen OGP categories.

The supplier and purchase order data analysis provides an opportunity to review whether there is the correct balance in the number of suppliers in terms of achieving value for money, security of supply and in the case of low value transactions, the cost of processing.

4.2   Purpose

The purpose of the expenditure analysis is to:

- Inform the drafting of the Corporate Procurement Plan,
- Support high level strategies for identified categories of spend,
- Identify opportunities for improvement in terms of cost savings,
- Identify opportunities for working in a more efficient manner,
- Identify a number of key performance indicators that can be used to monitor and review the impact of implementing the Corporate Procurement Plan.

4.3   Category Analysis

The following table shows the Council's procurement expenditure by account element during the period 2011 to 2015:

Category	2011 €'000	2012 €'000	2013 €'000	2014 €'000	2015 €'000	Total €'000
Capital Contracts Expenditure	71,390	60,049	51,689	14,474	31,380	228,981
Minor Contracts- Trade Services & other works	22,105	20,638	20,887	19,444	16,485	99,560
Energy / Utilities	6,528	6,999	7,819	4,312	4,291	29,948
Consultancy / Professional Fees and Expenses	8,387	6,984	3,903	2,615	4,592	26,481
Materials	5,150	5,586	5,172	2,851	2,786	21,544

Category	2011 €'000	2012 €'000	2013 €'000	2014 €'000	2015 €'000	Total €'000
Insurance	4,938	4,403	4,311	3,605	1,721	18,979
Hire (Ext) – Plant / Transport/ Machinery & Equipment	3,092	1,639	1,377	1,727	895	8,729
Legal Fees and Expenses	3,325	700	380	1,286	752	6,443
Miscellaneous Expenses	594	766	552	3,280	629	5,821
Other Vehicle Expenses	769	931	1,138	1,427	1,445	5,710
Training	1,072	1,055	1,082	967	1,206	5,381
Computer Software and Maintenance Fees	844	1,003	917	1,111	1,450	5,326
Security – Property	1,256	1,025	738	447	510	3,976
Communication Expenses	998	715	726	667	676	3,781
Non-Capital Equip Purchase – Other	1,017	752	744	577	568	3,658
Library Book Purchases	755	603	636	632	610	3,236
Canteen	700	546	339	709	534	2,829
Non-Capital Equip Purchase – Computers	786	339	348	470	599	2,542
Community Events	253	236	319	510	702	2,019
Printing & Office Consumables	628	374	331	265	287	1,885
Repairs & Maintenance - Plant	756	493	280	67	53	1,650
LEO Measure 2 Grants Payable				389	672	1,061
Postage	277	179	193	179	208	1,035
Repairs & Maintenance - Computer Equip	141	108	127	202	123	701
Advertising	114	101	128	130	96	568
Prizes, Sponsorship etc.	35	40	51	95	303	524
Repairs & Maintenance - Other Equip	150	95	90	46	65	446
Repairs & Maintenance - Buildings (excl. LA Housing)	45	301	61	11	14	432
Recruitment Expenses	157	85	53	4	106	404
Cleaning	86	89	86	66	64	391
Arts Activities	56	44	46	103	133	383

Category	2011 €'000	2012 €'000	2013 €'000	2014 €'000	2015 €'000	Total €'000
Non-Capital Equip Purchase - Office Equipment / Furniture	51	27	35	51	98	263
Courier	92	18	26	10	9	156
Security - Cash Delivery	18	28	2	14	7	70
Entertainment and Associated Expenses	18	8	9	15	20	70
Repairs &Maintenance - Parks & Other Areas	2	4	4	2	21	33
Removal Expenses		5		20	3	28
Scanning		6	3	6	5	20
Total (excl. vat)	**136,586**	**116,972**	**104,602**	**62,786**	**74,116**	**495,062**

Table 1.

The expenditure data extracted provided limited opportunity to undertake meaningful procurement expenditure analysis under the 16 OGP categories due to the narrow / inconsistent use of local product codes and inadequate description of purchases.

4.4   Transaction Analysis

Transaction analysis provides the basis for understanding the Council's interaction with its suppliers, and in particular, its ordering and payments process.   It involves identifying the overall number of transactions, transactions by supplier and by values. This type of analysis assists in monitoring compliance and in identifying potential opportunities for achieving cost savings by streamlining procurement processes.

4.4.1   Spend per Supplier – Public Procurement Thresholds

The following table shows the number of suppliers by reference to Public Procurement thresholds as outlined in Section 3.5 during the period 2011 to 2015:

No. of Suppliers by Public Procurement Thresholds (excl. vat)					
Threshold	2011	2012	2013	2014	2015
Less than €25,000	1,872	1,860	1,899	2,005	2,143
€25,000 to €50,000	143	134	124	122	125
€50,000 to €207,000	147	136	142	132	117
€207,000 to €5.186m	87	74	63	56	75
Over €5.186m	3	3	2	-	-
Total	**2,252**	**2,207**	**2,230**	**2,315**	**2,460**

Table 2.

4.4.2 Purchase Orders by Value

The following table shows details of purchase orders raised by value during the period 2011 to 2015:

No. of Purchase Orders v Purchase Order Value										
Purchase Order Value	2011		2012		2013		2014		2015	
Under €50	1,258	7%	1,045	6%	996	6%	742	5%	730	6%
€51 to €100	1,389	7%	1,345	8%	1,260	7%	801	6%	704	5%
€101 to €250	3,091	16%	2,983	17%	2,853	17%	2,280	16%	1,935	15%
€251 to €500	3,235	17%	3,063	17%	2,901	17%	2,395	17%	2,205	17%
€501 to €1,000	3,096	16%	3,033	17%	2,792	17%	2,596	19%	2,541	19%
€1,001 to €5,000	4,807	25%	4,375	25%	4,223	25%	3,471	25%	3,257	25%
€5,001 to €10,000	861	5%	758	4%	794	5%	677	5%	658	5%
€10,001 to €20,000	572	3%	552	3%	512	3%	437	3%	501	4%
€20,001 to €50,000	384	2%	351	2%	301	2%	284	2%	291	2%
Over €50,000	350	2%	269	2%	264	2%	178	1%	214	2%
Total No of Purchase Orders	**19,043**	**100%**	**17,774**	**100%**	**16,896**	**100%**	**13,861**	**100%**	**13,036**	**100%**

Table 3.

4.4.3 Number of Purchase Orders per Supplier

The following table shows the number of suppliers by reference to the number of purchase orders raised during the period 2011 to 2015:

No of Purchase Orders Per Supplier						
No. of Purchase Orders	2011	2012	2013	2014	2015	Total
1	906	861	945	1,051	1,194	4,957
1 to 5	753	777	726	759	796	3,811
6 to 25	458	437	439	410	383	2,127
26 to 50	78	83	71	61	58	351
51 to 100	21	23	18	21	16	99
101 to 250	20	11	16	4	5	56
Over 250	5	5	5	4	4	23

Table 4.

4.4.4 Percentage of suppliers by reference to the number of purchase orders

The following table shows the percentage of suppliers by reference to the number of purchase orders raised during the period 2011 to 2015:

No of Purchase Orders Per Supplier as % of Total No. of Suppliers						
No. of Purchase Orders	2011	2012	2013	2014	2015	Average
1	40.4%	39.2%	42.6%	45.5%	48.6%	43.4%
1 to 5	33.6%	35.4%	32.7%	32.9%	32.4%	33.4%
6 to 25	20.4%	19.9%	19.8%	17.7%	15.6%	18.6%
26 to 50	3.5%	3.8%	3.2%	2.6%	2.4%	3.1%
51 to 100	0.9%	1.0%	0.8%	0.9%	0.7%	0.9%
101 to 250	0.9%	0.5%	0.7%	0.2%	0.2%	0.5%
Over 250	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Table 5.

4.5 Low Value Purchases

There are currently 59 low value purchase cards in use throughout the organisation. Each card has a single transaction limit of €1,000 (incl. vat). A monthly limit also applies on each card. An aggregated purchase order is raised each month per card with a line item for each transaction made with the card with an accurate description of the purchase. One of the benefits of low value purchase cards is that less purchase orders need to be raised in the financial management system resulting in reduced administrative costs.

4.5.1 Low Value Purchases by Category

The following table sets out the main categories of expenditure (account element) using low value purchase cards during the period 2011 to 2015:

Category	2011 €	2012 €	2013 €	2014 €	2015 €	Total €
Materials	268,262	257,634	268,333	267,773	299,428	1,361,430
Other Vehicle Expenses	66,152	107,421	121,506	125,776	109,581	530,436
Printing & Office Consumables	5,670	18,484	20,168	34,050	40,714	119,085
Non-Capital Equip Purchase - Other	18,995	31,774	22,079	22,448	19,695	114,992
Non-Capital Equip Purchase - Computers	17,775	18,509	19,961	22,939	22,834	102,020
Minor Contracts- Trade Services & other works	17,005	14,958	10,028	10,325	7,035	59,351
Miscellaneous Expenses	15,763	20,164	13,188	3,048	4,813	56,977
Repairs & Maintenance – Plant	10,605	16,946	8,160	9,071	9,725	54,507

Category	2011 €	2012 €	2013 €	2014 €	2015 €	Total €
Training	2,673	8,051	9,720	13,244	15,613	49,301
Computer Software and Maintenance Fees	1,882	3,719	8,117	6,472	10,265	30,456
Communication Expenses	8,361	2,247	1,150	2,535	3,547	17,841
Repairs & Maintenance - Other Equipment	722	989	1,697	935	10,674	15,017
Hire (Ext) - Plant/Transport / Machinery & Equipment	1,274	64	247	9,151	2,143	12,879
Canteen	1,212	1,446	2,335	2,196	2,429	9,618
Consultancy/Professional Fees and Expenses	507	1,522	1,362	2,762	3,099	9,251
Energy / Utilities	1,672	1,211	2,105	3,167	1,070	9,226
Repairs & Maintenance - Computer Equipment			630	1,282	150	2,062
Courier	960	72	371	244	290	1,937
Non-Capital Equipment Purchase - Office Equip/Furniture	851	180		642	211	1,885
Total (excl. vat)	**444,663**	**505,572**	**514,813**	**538,790**	**564,401**	**2,568,238**

Table 6.

4.5.2   Low Value Purchase Card Expenditure

The following table sets out expenditure using low value purchase cards during the period 2011 to 2015:

	2011	2012	2013	2014	2015	Total
Spend Amount	€ 444,633	€ 505,602	€ 514,813	€ 538,790	€ 564,401	€ 2,568,238
No. of Purchase Orders	541	603	640	615	584	2,983
Average spend per Purchase Order	€ 822	€ 838	€ 804	€ 876	€ 966	€ 861

Table 7.

4.6 Conclusions

The main conclusions of the expenditure analysis are as follows:

1) Categorisation is weakened by lack of national product code mapping, the narrow / inconsistent selection of local product codes and inadequate description of purchases on purchase orders.

2) Analysis of procurement threshold values by supplier reveals:

   a) the large number of suppliers being procured under €25,000 (87%) which concludes that a very high number of individual procurements are being conducted.

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b) need to verify that all suppliers (13%) being procured over €25,000 were procured properly.

3) Large number of suppliers with single or low number of purchase orders – 76.8% of suppliers are issued with 5 or less purchase orders.

4) Large number of low value transactions. – 62% of purchase orders are for less than €1,000.

5) A category management approach is required to consolidate the large amount of suppliers providing low value contracts

5 Procurement Objectives and Actions

The Corporate Procurement Plan aims to establish key objectives for procurement in the following areas:

1. Policy and Governance
2. Processes and Systems
3. Expenditure and Value-For-Money
4. Stakeholder Management
5. Organisation Capability
6. Procurement Planning
7. Sustainable Procurement
8. Measurement and Monitoring

A list of specific actions under each of the above key objectives and an implementation plan is set out in Appendix 1.

5.1 Policy and Governance

Ensuring that a robust Procurement Policy and Governance framework is prevalent is critical to procurement and this plan ensures it is given the highest priority. This will be underpinned by strengthening the relationship between Procurement Unit and individual departments.

5.1.1 Revised Approver limits and requirements

A revised Chief Executive's Order approving procedures and financial limits in respect of contracts to purchase supplies, services & works will be introduced in 2016 following a review of the existing requirements of CE Order F/41/15.

5.1.2 Use of Standard Documents

The OGP has developed a standard suite of tender and contract documents. The use of these documents for all contracts publicly awarded by the Council above €25,000 will be closely monitored as a key action of this Plan.

5.1.3 Request for Tenders (RFT)

Contracts or frameworks above the value of €25,000 for supplies/services and €50,000 for works must be procured by seeking tenders advertised on eTenders and/or OJEU.

When considering sourcing options, collaborative arrangements will be used for the purchase of supplies, services and works in the following order:

- National
- Local Government Sector
- Regional

A local tender process will only be initiated where a collaborative arrangement is not available or proposed. Approval to commence a tender process must be sought from the OGP. Where approval from OGP is granted, local tender processes will be conducted in accordance with the Council's Procurement policies and procedures.

5.1.4 Request for Quotations (RFQ)

Contracts below the value of €25,000 for supplies/services and below €50,000 for works may be procured by seeking quotations at local level where collaborative procurement arrangements are not already in place.

The plan introduces measures to strengthen the procedures for seeking quotations at local level to increase transparency and reduce organisational risk. Transparency for purchasing below €25,000 will be improved by using the Quick Quotes (QQ) facility on eTenders. This will provide an electronic record of quotations and provides mechanism for better value by increasing the number of suppliers purchasers can request quotes from.

5.1.5 National Product Codes

There are over 130,000 local product codes in the local government sector. This makes spend analytics at individual local authority or sectoral level particularly challenging. The LGSPC established a working group to consolidate these codes culminating in the publication in August 2015 of a National Product Codes List containing 406 codes for use in the local government sector. The 406 national product codes are aligned to 36 sub-categories and 16 OGP categories.

Each local authority is now required to map their local product codes to the 406 national product codes on their financial management system. The roll-out of standard product codes across the local government sector led by the LGMA will be supported and embraced. However, it must be emphasised the benefits of mapping local product codes to the national product codes will only be achieved by the correct selection of local product codes during the purchase to pay process.

5.1.6 Local Product Codes

The correct use of local product codes and accurate description of purchases on purchase orders facilitates improved procurement spend analysis, spend comparison, future procurement planning and the organisation achieves the benefits of the national product coding implementation.

Responsibility for ensuring correct local product codes and accurate description of purchases on purchase orders rests with purchase order approvers. It will be a key action of the Plan to address the issues relating to coding in order that future expenditure analysis can be undertaken to the level of certainty required. The use of local product codes will be routinely monitored and reported to the Executive Management Team.

5.2 Processes and Systems

The further development of existing internal procurement systems and improved use of national and sectoral systems (Agresso MS4, eTenders and SupplyGov) and e-procurement will be a key priority during the lifetime of the plan. The pending transposition of EU Directive 2014/24 into Irish law will introduce mandatory requirements for procurement to be conducted electronically.

5.3   Expenditure and Value-For-Money

A critical objective of this Procurement Plan is to achieve efficiencies and savings through ensuring compliance and making improvements where appropriate.

5.3.1   Purchase Orders

Purchase order procedures will be improved to rationalise the high number of POs issued to certain suppliers. The correct selection of local product codes and the accurate description of purchases during the purchase to pay process is critical to ensure that meaningful expenditure analysis can be carried out to ensure value for money is being achieved.

5.3.2   Low Value Purchases

Low Value Purchase Cards are point-of sale cards that can be used for purchasing once-off items below a pre-determined value. They are in place in a limited number of areas in the Council. Low Value Purchase Cards can remove the need for multiple purchase orders and payments for minor or infrequently purchased items if managed correctly. This is not evidenced in the expenditure analysis for 2015. A review of the use of Low Value Purchase Cards will be carried out during the lifetime of this Plan.

5.3.3   Category Management

The mapping of local product codes to national product codes (Section 5.1.6) will allow for procurement expenditure to be categorised using the 16 OGP categories and 36 sub-categories going forward in line with other local authorities.

To realise procurement savings, notably in areas where there is no national or local government sector collaborative contract or framework in place, the Council will be able to focus on specific categories of spend for each year of the Corporate Procurement Plan and develop strategies to achieve savings by specific category.

5.3.4   Supplier Performance

Good contract management will ensure the actual performance of suppliers is as set out in the requirements, service and quality specified in contracts.   Efficiencies and adherence to standards will be monitored through the reporting on performance indicators identified in the implementation plan.

5.4   Stakeholder Management

5.4.1   National and Local Government

Procurement will be approached by engaging collaboratively with the Office of Government Procurement and the local government sector at national and regional level, where appropriate. National and regional frameworks / contracts will be prioritised over standalone local procurement arrangements to ensure that all opportunities are maximised.

5.4.2   Suppliers

As part of our commitment to the development of enterprise, we will look to improve supplier and market engagement.   Improved information resources on procurement will be made available to suppliers on www.fingal.ie and information briefings will be provided to improve awareness of our procurement processes, in collaboration with the Local Enterprise Office.

5.4.3   Small and Medium Enterprises (SMEs)

Council Procurement Policy commits the organisation to helping prospective suppliers to understand the Council's procurement and purchasing processes.   Department of Public Expenditure & Reform Circular 10/14 (Initiatives to assist SMEs in Public Procurement) is aimed at structuring competitive processes for public contracts in a manner that facilitates increased participation by SMEs (small and medium enterprises), while continuing to ensure that public sector purchasing is carried out in a manner that is legal, transparent, and secures optimal value for money. Requirements in tendering will be proportional and reasonable ensuring that there are no unnecessary barriers for suppliers and the use of open procedures and the division of contracts/frameworks into lots will be used where practicable.

5.5   Organisation Capability

Clearly communicated Public Procurement requirements, Council policy, procedures will ensure all staff are aware of and adhere to compliant procurement performance. This will be enhanced by ensuring that organisation capability is regularly assessed and appropriate training programmes to meet skills gaps are put in place.

5.6   Procurement Planning

Procurement Planning will be prioritised by incorporating department annual procurement plans (Procurement Pipelines) into the Council's Business Planning Framework and associated systems. Greater monitoring of expiring contracts in the Council's contracts database will also support better procurement planning.

5.7   Sustainable Procurement

Nationally, the publication of Green Tenders, An Action Plan on Green Procurement and the National Framework for the Sustainable Development in Ireland – Our Sustainable Future, establishes a clear vision and place for green public procurement.

By procuring in a sustainable way the Council aims to shift spending away from supplies, services and works that negatively impact on the environment and society, towards products that are more environmentally sound and socially beneficial.

5.8   Measurement and Monitoring

Progress on key deliverables of the Plan will be monitored and will be reviewed regularly at the Corporate Affairs and Governance directorate meetings.   Progress reports will be submitted to the Executive Management Team quarterly.   A detailed implementation plan for specific actions to meet the objectives set out in the Corporate Procurement Plan are set out in Appendix 1 and will be used as the basis for ongoing progress reporting.

An Annual Report will be produced in accordance with the reporting requirements of the Plan.

The Corporate Procurement Plan will be subject to annual review in light of further reform within local government and the wider public sector.

APPENDIX 1: ACTIONS IMPLEMENTATION PLAN

Policy and Governance

- Revised Chief Executive's Order reflecting updated approver limits and associated procurement requirements.
- Procurement reviews to be held annually with Departments focusing on compliance and best practice issues.
- Procurement Liaison Group to meet bi-monthly.
- Use of OGP standard suite of tender and contract documents.
- Staff will follow EU, National and local procurement procedures for appropriate value without exception.
- Use of the Quick Quotes facility on eTenders.
- Correct use of product codes on purchase orders to be monitored and reported to EMT.
- Support and embrace roll-out of national product codes led by the LGMA.
- Use of Tender Report Form and approval of evaluation recommendations
- Publication of Contract Award notices on eTenders.

Processes and Systems

- Centralised Procurement Pipeline to be re-developed to allow real time input and review by Departments.
- Centralised Tender Register to be made available for real time review by Departments.
- Centralised Contracts Database to be re-developed to allow real time input and review by Departments.
- Improved usage and conformance on SupplyGov in respect of collaborative frameworks.
- Improved usage and conformance on eTenders in respect of tenders and quotations.
- Greater use of e-procurement opportunities.

Expenditure and Value-For-Money

- Ongoing expenditure analysis will be conducted at both organisation and departmental level to:
  - monitor suppliers approaching procurement thresholds
  - measure collaborative contract/framework expenditure
  - measure procurement savings
  - report on the number of POs processed.
- Purchase order procedures will be improved to rationalise the high number of POs issued to certain suppliers.
- Procurement Unit to monitor use of suppliers on Agresso MS4 across the organisation for greater consolidation of suppliers.
- The use of Low Value Purchase Cards will be expanded across the organisation.

Stakeholder Management

- Utilisation of National and Regional frameworks / contracts throughout the organisation.
- Procurement Officer to participate in the Dublin Regional Procurement Forum to monitor and maximise regional opportunities.
- Procurement Officer to participate in Local Government Procurement Forums.
- Nominated staff to participate on Category Councils.
- Nominated staff to participate on Sourcing teams.
- Nominated staff to participate on Working Groups.
- Nominated staff to participate on Evaluation Boards.
- Nominated staff to engage with OGP or Sectoral requests for information on collaborative procurement initiatives.

- Greater supplier and market engagement.
- Improved information resources on procurement to be made available to suppliers on Councils website and external communication channels.
- Information briefings to be provided to improve awareness of our procurement processes in collaboration with the Local Enterprise Office.
- Use of open procedures where practicable.
- Greater division of contracts/frameworks into lots will be used where practicable.
- Procurement Unit and Departments to encourage supplier registration on both eTenders and SupplyGov in accordance with Circular 10/14.

Organisation Capability

- Information briefings to be provided to staff on the Corporate Procurement Plan.
- Regular assessment of organisation capability.
- Training programmes to meet skills gaps to be be put in place.
- Review effectiveness of the Procurement model.

Procurement Planning

- Annual Procurement Plans (Procurement Pipelines) to be prepared by Departments and input into the Council's Business Planning systems.
- Expiring contracts on the Council's contracts database to be monitored regularly and input into Annual Procurement Plans.

Sustainable Procurement

- Fingal County Council will participate in green procurement initiatives on a regional / national basis as available.
- Environmental factors will be included for assessment within the cost-benefit model of procurement procedures.
- Fingal County Council will participate in pilot social clause opportunities led by the OGP.

Measurement and Monitoring

- Procurement savings (€), including value of savings generated through national, local government and regional contracts and frameworks.
- Number of national /sector/regional procurement processes participated in.
- Number of mini-competitions operated on SupplyGov.
- Number of national/sector/regional procurement processes not participated in (outlining reasons for non-participation).
- Report on suppliers exceeding procurement tender threshold.
- Number of quotations sought via Quick Quotes facility on eTenders.
- Number of new suppliers from whom quotations were sought.
- Report on information sessions for suppliers.
- % of tender procedures conducted using open procedures.
- Report by exception on any use of non-OGP documents.
- % Increase in number and value of LVPC transactions.
- Update on progress and measures in place to progress implementation of e-procurement.
- Number of meetings of Procurement Liaison Group and summary of issues considered.
- Annual report on Procurement to be prepared and published.
- Corporate Procurement Plan to be reviewed each year.

APPENDIX 2: DEFINITIONS

EMT   Executive Management Team

LGMA   Local Government Management Agency

LGOPC   Local Government Operational Procurement Centre

LGSPC   Local Government Strategic Procurement Centre

OGP   Office of Government Procurement

QQ   Quick Quotes - facility on eTenders website

RFQ   Request for Quotations

RFT   Request for Tenders

SME   Small and Medium Enterprise