



Comhairle Contae Mhaigh Eo

Mayo County Council

Corporate Procurement Plan 2019- 2021

December 2018

Mayo County Council Corporate Procurement Plan 2019 – 2021

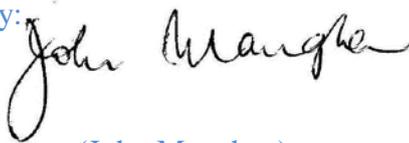
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I have reviewed and agreed the content. I recommend the approval of the Mayo County Council Corporate Procurement Plan 2019-2021.

Signed by:



(John Maughan)

Procurement Officer

Signed:



(Tom Gilligan)

Director of Services

Date: 07/12/2018

Date: 07/12/2018

Mayo County Council Corporate Procurement Plan 2019 – 2021

Table of Contents

Table of Contents.....	2
1 Introduction.....	4
1.1 Corporate Procurement Plan Purpose.....	4
1.2 European Procurement Policy.....	4
1.3 National Procurement Policy.....	5
1.4 Organisation Structure.....	6
1.5 Procurement Plan Review.....	6
2 Procurement Overview.....	7
2.1 Corporate Plan.....	7
2.2 Mayo County Council Risk Assessment.....	7
2.3 Procurement Mission Statement.....	8
2.4 Mayo County Council Internal Regulations.....	8
3 Procurement Plan Objectives.....	9
3.1 Promote Sustainability.....	9
3.1.1 Procurement Model.....	9
3.1.2 Green Public Procurement.....	10
3.2 Obtain Value for Money.....	11
3.2.1 Value for Money.....	11
3.2.2 Expenditure Analysis.....	12
3.2.3 Advocate Collaboration.....	12
3.3 Maximise Contract Performance.....	12
3.3.1 Monitoring Contracts.....	12
3.3.2 Milestone 4.....	13
3.4 Ensure Compliance.....	13
3.4.1 Documentation.....	13
3.4.2 Data Protection.....	14
3.4.3 Training.....	14
3.5 Reinforce Governance.....	14
3.6 Encourage Business Engagement.....	15
4 Goals and Actions 2019 – 2021.....	16
4.1 Corporate Plan Actions.....	16
4.2 Corporate Procurement Plan Goals and Actions.....	16

Mayo County Council Corporate Procurement Plan 2019 – 2021

4.3 Case Studies24

4.3.1 Managed Print Solution24

4.3.2 Hire V Purchase of Vehicles.....25

4.3.3 Green Procurement25

5 Conclusion26

6 Appendix 1 – MCC spend covered by Procurement.....27

7 Glossary of Acronyms.....28

1 Introduction

1.1 Corporate Procurement Plan Purpose

Mayo County Council's Corporate Procurement Plan (CPP) 2019-2021 is a three-year strategy, setting out the procurement objectives for this period. The Procurement Plan has been developed to ensure that the organisation's procurement function operates in accordance with best practise. All public bodies including Mayo County Council must produce Corporate Procurement Plans as specified in Circulars IPPP 3/06 and IPPP 5/06.

The broad objective of the plan is to support, effective value for money purchasing, while ensuring the main principles of procurement apply (Openness, Transparency, Accountability and Mutual Recognition).

Government procurement in Ireland is directed by European policies which have been implemented into Irish law. These are supported by National and Local Government structures that support the government's Procurement Reform Programme. Mayo County Council Corporate Procurement Plan details the Council's strategy for implementing these policies and their priorities.

1.2 European Procurement Policy

The European Treaty of Rome signed in 1957, resulted in the establishment of the European Economic Community (EEC), established several principles which should apply when awarding contracts, particularly in relation to:

- Freedom of movement of goods
- Freedom of establishment
- Freedom to provide services

The specific procurement principles that derive from these basic principles are:

1. **Transparency**
Being open and transparent about the procurement process
2. **Equal Treatment**
Applying the same rules to all giving everyone the same rights of access.
3. **Proportionality**
Ensuring that all requirements are necessary and appropriate in relation to the contract.
4. **Mutual Recognition**
The principle of European Union (EU) law under which member states must allow goods that are legally sold in another member state also to be sold in their own territory

Mayo County Council Corporate Procurement Plan 2019 – 2021

Central to public sector procurement practice are key guidelines and legislation, founded in EU directives that have subsequently been transposed into Irish Law including;

- Directive 2014/24/EU (Public Sector) transposed by S.I. No. 284 of 2016 (as amended),
- Directive 2014/23/EU (Concessions) transposed by S.I. No. 203 of 2017,
- Remedies Directive 89/665 as amended by Directive 2007/66 transposed by Irish Remedies Regulations S.I. No. 130 of 2010 (as amended),
- European Union (Award of Public Authority Contracts) Regulations 2016 transposed into law by S.I. No. 284 of 2016 - European Union (Award of Public Authority Contracts) Regulations 2016,
- Circular 10/14 All decisions made by Mayo County Council must demonstrate adherence to the above legal guidelines and principles.

1.3 National Procurement Policy

The main stakeholders of policy nationally focus on specific areas of procurement to maximise results. These include;

The Office of Government Procurement (OGP)

The OGP commenced operations in 2014 and, together with four key sectors (Health, Defence, Education and Local Government), have responsibility for sourcing all goods and services on behalf of the Public Service. Also, the OGP also has full responsibility for procurement policy and procedures.



Local Government Strategic Procurement Centre (LGSPC)

The LGSPC is a strategic procurement centre for the local government sector. It was initially set up as part of the Project Management Office for Local Government Efficiency Review, and now subsumed into the Local Government Management Agency (LGMA). The function of the LGSPC is to lead, co-ordinate and support the local government sector with procurement reform, supporting its efforts within the procurement reform agenda.



Local Government Operational Procurement Centre (LGOPC)

The LGOPC is based in Kerry County Council and provides a lead for two categories of expenditure on behalf of the public sector, i.e. Minor Building Works and Civil and Plant Hire.

1.4 Organisation Structure

The Procurement & Efficiency Review team in Mayo County Council is under the Director of Services for Housing, Roads and Services Development. It currently consists of the Procurement Officer and a team of three.

It has a co-ordinating role in ensuring that there is an organisational focus on good practice in purchasing and that procedures are in place to achieve value for money and to ensure high standards of openness, transparency and compliance with all relevant public procurement guidelines and legislation.

MCC's current procurement structure is mainly a decentralised procurement structure. Procurement responsibility is delegated to many staff members at directorate, section and district levels. A number of staff within the various sections throughout the Council, carry out the procurement of any given product/service. This decentralised structure exists in line with the Corporate Plan reflecting the geographical spread of the county, the range of services provided by Municipal Districts and the supplier/contractor base.

1.5 Procurement Plan Review

This document builds on the existing Corporate Procurement Plan 2016-2018, and earlier Procurement Policy documents. It provides an opportunity for Mayo County Council to:

- Review the performance of the Corporate Procurement Plan 2016-2018
- Enable the strategic objectives of the Council to be met.
- Identify, state and measure our procurement objectives,
- Assess the organisational structures, processes and systems and identify areas to be strengthened over the lifetime of the plan,
- Identify opportunities and strategies to achieve greater value for money,

The review process involves:

- An analysis of the purchasing processes and procedures, as they currently exist within the Council
- An assessment of strategies, systems and structures relating to these function
- Plan of Action for the next three years (2019– 2021)

The focus of the analysis and recommendations are mainly in the area of supplies, services and some works procurement.

This document seeks not only to meet the obligations of Circulars PPP 3/06 and PPP 5/06, but also to reinforce the Council's commitment to effective and efficient procurement.

2 Procurement Overview

2.1 Corporate Plan

The Mayo County Council Corporate Plan 2019-2021 provides a vision of; “A County that is Sustainable, Inclusive, Prosperous and Proud”. This Procurement plan endeavours to implement this vision with regards to procurement within the Council.

- **Sustainable** Will procure works, goods and services in the most competitive way by the most economically advantageous tender not necessarily lowest price.
- **Inclusive** Engage with other public bodies and encouragement of supplier in purchasing arrangements to maximise procurement collaboration.
- **Prosperous** Better-quality services and more efficient spending whilst utilising innovative outcomes based on evidence based results.
- **Proud** Assist in the provision of outstanding services.

The first goal of the Corporate Plan is to; “Commit to delivering efficient, high quality, local services with a system of continuous improvement.”. The Procurement and Efficiency Review Team will address this goal and the actions identified in the corporate plan;

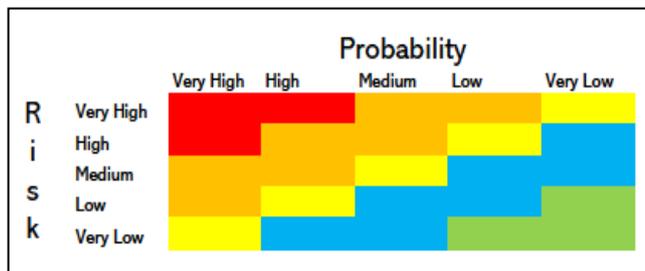
- **Change** Cultural change in attitude to procurement,
- **Performance** Review efficiency to improve performance,
- **Delivery** Decentralised procurement through Municipal Districts,
- **Innovation** Encourage collaboration & use of I.T.,
- **On-line** Develop procurement website presence,
- **Communications** Engage stakeholders in procurement process,
- **Up-skilling** Training & support.

2.2 Mayo County Council Risk Assessment

Mayo County Council has recognised risks associated with procurement and has detailed these in the Mayo County Council Risk Register.

Action items have been identified to mitigate against the risks identified in the following areas:

- Legal,
- Managerial/Professional,
- Legislative/Regulatory,
- Financial,
- Partnership/Contractual,
- Technological,
- Economic.



Mayo County Council Corporate Procurement Plan 2019 – 2021

2.3 Procurement Mission Statement

The Mayo County Council Procurement Mission Statement is:

“Ensure that Mayo County Council’s procurement function operates in accordance with best practice as outlined in the national public procurement Policy Framework and supports effective value for money purchasing while ensuring probity and accountability.”

2.4 Mayo County Council Internal Regulations.

Mayo County Council Financial Regulations determine if a formal tender process is required based on matching contract values to the thresholds listed below. For **goods or services** not included on quotation lists the following purchasing conditions applies:

The value of a contract determines the procurement procedure to be followed.

Contract Value	Procurement Procedures
0-€300	A Single quotation or negotiated price from a supplier must be obtained and documented/filed. * ¹
€301 - €10,000	A specification of the goods or services to be specified. A minimum of three quotations should be obtained and recorded.
€10,001 - €25,000 (Goods & Services)	A detailed specification of the goods or services required to be documented and sent by email or through a procurement portal (Etenders, SupplyGov). A Minimum of five quotations should be obtained and recorded.
€10,000 - €50,000 (Works)	
€25,001 + (Goods & Services)	Advertise on the government’s website (www.Etenders.gov.ie)
€50,000 + (Works)	Advertise on the government’s website (www.Etenders.gov.ie)
€21,000 +	Supplies and Services above this value must be advertised on Etenders website and also on the OJEU* ²
€443,000 +	Utilities Services above this value must be advertised in the OJEU* ²
€5,548,000 +	Works Contracts above this value must be advertised in the OJEU* ²

¹ Only applies for procurement of goods/services when there is no framework/contract or other online procurement portal available (e.g. SupplyGov, eTenders)

² These advertising thresholds are reviewed every two years.

The latest thresholds can be checked on the EU public procurement website <http://simap.eu.int>

3 Procurement Plan Objectives

The Corporate Procurement Plan should provide a road map to the development of procurement over the next three years. Everyone in the organisation that is involved with expenditure, other than payroll should be aware of this document. Personnel involved with procurement should be familiar with the provisions relevant to their areas of responsibility, and how these link to their responsibilities in implementing certain aspects of the plan.

If best value is to be instilled into the organisation, it is vital that all staff involved in the procurement process demonstrate the following;

- a comprehensive understanding of public sector accountability,
- a comprehensive understanding of public sector legislative requirements and
- best practices in the methods and techniques involved,

The following objectives for this plan are based on the objectives in the previous plan with the addition of “maximise contract performance”:

1. Promote Sustainability,
2. Obtain Value for Money,
3. Maximise contract performance
4. Ensure Compliance,
5. Reinforce Governance,
6. Encourage Business Engagement,

3.1 Promote Sustainability

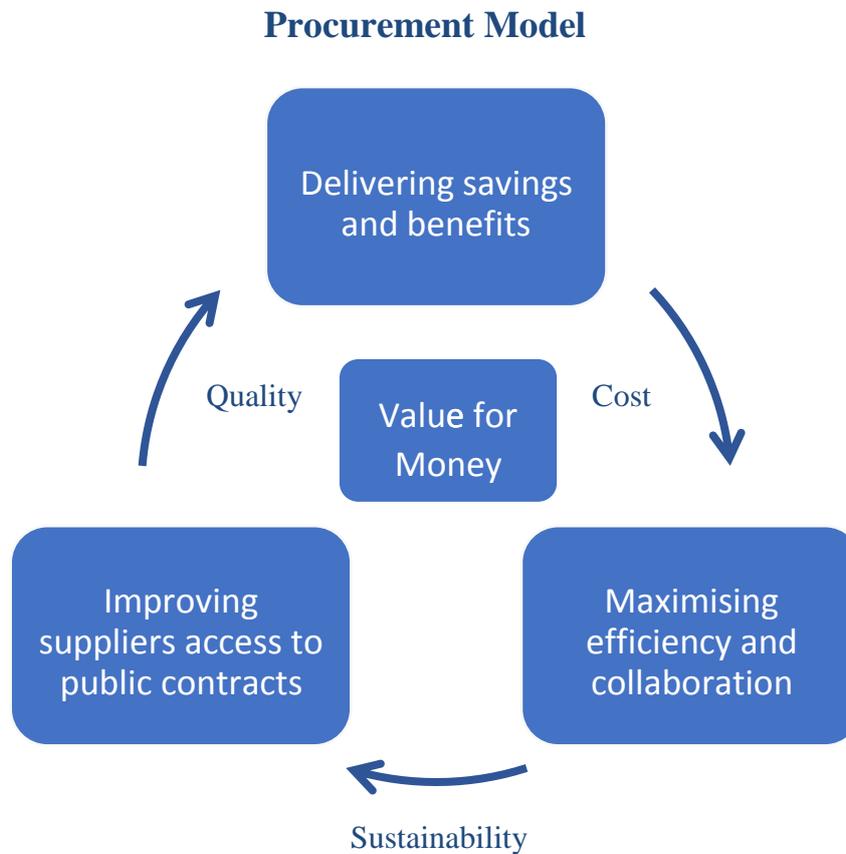
3.1.1 Procurement Model

Our procurement model is based on the Scottish procurement model, which has taken a lead in incorporating sustainability into the procurement model.

This vision of sustainability combines being business friendly with being socially responsible by using the power of public spending to deliver genuine public value, beyond simply cost and/or quality in purchasing. It is about looking at overall outcomes rather than focussing on a specific output.

It requires working together to develop strategic relationships with key businesses and voluntary organisations to develop a project level partnership with them that agrees solutions to specific problems.

Procurement has traditionally been based on “Cost” but increasingly decisions are based on a combination of “Cost and Quality”. “Value for Money” is at the centre of our Procurement Model. It is not just about cost and quality, but about the best balance of cost, quality and sustainability. In a recent Request for Tender (RFT), Mayo County Council used Euro NCAP standards as one criteria for ranking tender results for vehicles. Mayo County Council intends to look at other opportunities to expand the role of sustainability in tender requirements.



3.1.2 Green Public 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, together establish a clear vision and place for green public procurement (GPP) within future Irish Government arrangements. The EPA have built on this with the publication of Green Procurement – Guidance for the public sector.

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

This objective will be progressed through the following actions:

- Ensure the Council’s procurement policy take account of environmental considerations
- Provision for inclusion of social or environmental characteristics of goods, services or works being procured by the Council

Mayo County Council will engage with the Department of Communications, Climate Action and Environment on the GPP4Growth project. Mayo County Council has energy reduction

Mayo County Council Corporate Procurement Plan 2019 – 2021

targets to be achieved by the end of this plan in 2020. These may require procurement decisions based on energy use rather than strict cost criteria during the lifetime of this plan.

The Procurement & Efficiency Review team will engage with the Council Climate Ambassador Scheme to promote the use of green procurement and examine opportunities for including green procurement criteria in tenders.

The Section will also examine the use of social clauses in procurement contracts. A Social Clause is a legal requirement within a procurement contract which stipulates that the contract must provide added social value (this can also be known as a Community Benefit Clause).

3.2 Obtain Value for Money

3.2.1 Value for Money

The Procurement and Efficiency Review team must drive a cultural change within the organisation that recognises and respects the requirement to spend money wisely. Value for Money is at the centre of the Procurement Model and which requires;

- Delivering savings and benefits through reducing costs,
- Maximising efficiency and collaboration to ensure a sustainable improvement,
- Improving suppliers' access to public contracts to drive competition on quality.

Procurement is dependent on the availability of allocated budgets, or unspent budgetary allocations, and appropriateness of expenditure to the allocated budget. To this end it is necessary that staff involved in the procurement process:

- Strive to achieve value for money at every opportunity,
- Consider the ramifications of the expenditure of public funds when they commit to commercial activity,
- Obtain advice from the Procurement Officer prior to significant tendering activity, to determine the procedure in accordance with the EU Directives.

The best ways to obtain value for money have been identified as;

- Standardising and aggregating demand to obtain volume discounts,
- Exploiting market competition,
- Minimising the purchasing process and reducing transaction costs,
- Regular monitoring of key, value for money performance indicators, identified in supply contracts.

The use of low value purchase cards was considered to achieve reductions in the cost of processing low value expenditure. A trial has been undertaken to explore this option. Further trials may be considered over the period of this plan.

Aggregating Mayo County Council's purchasing power through the continued and expanded use of central purchasing arrangements will bring both cost effectiveness and process efficiencies.

3.2.2 Expenditure Analysis

Ongoing expenditure analysis will be conducted both at organisational and department levels to monitor items such as;

- suppliers approaching procurement thresholds,
- measure contract/framework expenditure,
- identify further areas for corporate contracts,
- monitoring incidents of off contract spend.

3.2.3 Advocate Collaboration

It is government policy that public bodies, where possible, make use of centralised procurement arrangements. The Council's objective is to procure goods, services and works through centralised procurement mechanisms operated by the Office of Government Procurement (OGP) and the Local Government Operational Procurement Centre (LGOPC).

Where it is beneficial to do so, the Council will participate in major initiatives led by central government or other appropriate bodies. This will reduce the processing effort in procuring goods, services and works and removes duplication of effort and other related inefficiencies. This objective will be progressed through the following actions:

- Continual use of national procurement arrangements
- Procurement under new national procurement arrangements as they become available

Mayo County Council will also continue to collaborate with other Councils where a shared need is identified and opportunities for better value arise.

Collaboration within the Council will be encouraged. For Contracts which encompass the activities of more than one section within the Council, one department will take the role of lead purchaser and co-ordinate the preparation of the procurement. They will also act as contract manager once the contract is in place. This will generally be the function of devolved staff outside the Procurement and Efficiency Review team. However, on occasion, the Procurement and Efficiency Review team may take the lead in the preparation of tenders for supplies/services.

The Council will engage with business support organisations, such as Local Enterprise Office, Meet West and Inter Trade Ireland, on the Council's tender opportunities and will promote upskilling programmes for businesses interested in tendering for public sector contracts.

3.3 Maximise Contract Performance

3.3.1 Monitoring Contracts

An increasing amount of Council spending is done through existing contracts. Mayo County Council has a dedicated procurement page on the intranet listing contracts available to purchasers. This page also offers guidance, policies and template documents.

Mayo County Council Corporate Procurement Plan 2019 – 2021

Contract performance must be monitored to ensure value for money is maintained for the duration of the contract and to inform future contract arrangements.

The contract pipeline means that there is a constant stream of contracts coming up for consideration, extension or tendering. The timely management of these contract periods is important to achieve value for money. The use of contract management software to assist with this and recording the use of contracts will be investigated during the period of this plan.

3.3.2 Milestone 4

Milestone 4 (MS4) has been included to the Agresso Financial Management System. The introduction of Milestone 4 has introduced operational efficiencies through the implementation of automated solutions such as workflow and scanning. The introduction of an integrated workflow enables process improvement throughout the local authority.

Standardisation and harmonisation of both the processes and the data, across Local Authorities, will facilitate improved reporting at central government level.

This will also facilitate the gathering of Procurement data across the local government sector. The Office of Government Procurement (OGP) is actively seeking procurement statistics for both existing contracts and potential contracts across all areas of the public sector.

The new workflows include a requirement for procurement approval, prior to ordering, for certain types of spending. It is intended that these categories will be extended during the term of this procurement plan.

This enables the Procurement and Efficiency Review team to advise requisitioners in advance of purchasing that there are contracts in place that should be used. It also opens a dialogue with requisitioners which may lead to additional or improved products being included in the contracts.

3.4 Ensure Compliance

3.4.1 Documentation

The Procurement and Efficiency Team will continue to communicate procurement requirements, including regulations, policies and procedures in the organisation through use of the Council's intranet site, procedures manual and training programmes. They will also provide procurement advice and assistance on request to staff preparing tender documents.

Standard template documents will be used for seeking tenders and quick reference tools developed to support the procurement process.

The procurement functionality in the Financial Management System (Milestone 4) will be utilised, to improve reporting on contract spend and compliance with procurement rules.

Independent assessment of compliance with procurement rules will be carried out by the internal and external audit functions.

- MCC will ensure it complies with all European and National legislation

Mayo County Council Corporate Procurement Plan 2019 – 2021

(EU Directive 2004-18-EC, Remedies Directive 2007/66/EC),

- Departmental Circulars (Circular 10-14, Circular 16/13) and
- local policies and procedures. (Internal Regulations).

The Procurement & Efficiency Review team will improve policies and procedures to ensure that management of the Council's procurement activities are conducted in an open, transparent and non-discriminatory manner with the highest levels of compliance, probity and risk awareness.

This objective will be progressed through the following actions:

- Enhance procurement policies based upon the EU Procurement Directive 2014/24 and best procurement practice that is designed to protect the Council and its staff from governance-related challenges
- Develop procedures that provide a cost-effective procurement process while giving cognisance to each requirement's relative importance in terms of legal compliance as well as financial and political risks

3.4.2 Data Protection

The General Data Protection Regulation (GDPR) (EU Directive 2016/679) is a regulation in EU law on data protection and privacy for all individuals within the European Union. It also addresses the export of personal data outside the EU. The Procurement & Efficiency Review team will encourage compliance with these regulations.

3.4.3 Training

Changing developments in procurement law and practice, parallel to the increasing dynamic legislative and complex nature of public procurement necessitates continual training both on the job and externally to stay up-to-date with public procurement developments. Within the Council's current decentralised procurement structure this proves an on-going challenge. Procurement knowledge varies across departments and sustaining procurement knowledge equilibrium is compounded by these decentralised structures.

Achieving this objective will be progressed through the following actions:

- Updating of the intranet site on a continuous basis where staff have access to the suite of documentation and legislation required.
- Advanced procurement training for staff involved in running tendering processes

3.5 Reinforce Governance

The dedicated procurement officer and the Procurement and Efficiency team will continue to support purchasing staff in the application of good procurement practices within the Council.

The Council will develop and maintain procurement policies and procedures. These will detail probity and accountability requirements. Information on updated procurement thresholds will be distributed promptly.

Mayo County Council Corporate Procurement Plan 2019 – 2021

Quality Assurance will be monitored in accordance with the Public Spending Code. This will include conducting regular random audits of procurement activities for compliance with legislation and guidelines.

Summary details of contracts awarded valued over €25,000 will continue to be published on the Council's website as part of our Freedom of Information Publication Scheme.

3.6 Encourage Business Engagement

The development of small and medium enterprises (SMEs) is very important to the national economy and public procurement can be an important source of business for SMEs. However, access to public sector contracts by smaller entities is often seen as a problem, at national and EU level, for many in the sector. MCC (Mayo County Council) will strive to improve participation by:

- Avoid using pre-qualification criteria or award criteria that systematically / needlessly exclude SMEs from contracts
- Set out requirements in clear unambiguous tender documentation
- Be conscious of the potential of, or impact on, SMEs at each stage of the procurement cycle (identifying the need, specifying, the award process etc.)
- Avoid issuing prescriptive tenders / set out requirements in terms of a deliverable which allows / encourages SMEs to provide creative and innovative solutions
- Consider breaking requirement into lots which could be supplied by small enterprises

The Council will engage with business support organisations, such as Local Enterprise Office and Inter Trade Ireland, on the Council's tender opportunities and will promote upskilling programmes for businesses interested in tendering for public sector contracts.

4 Goals and Actions 2019 – 2021

4.1 Corporate Plan Actions

The first goal of the Corporate Plan 2019-2021 is that “We will commit to delivering Efficient High-Quality Local Services with a system of continuous improvement.” The actions required in response to this goal are listed below:

1. **Change**
2. **Performance**
3. **Delivery**
4. **Innovation**
5. **On-line**
6. **Communications**
7. **Up-skilling**

4.2 Corporate Procurement Plan Goals and Actions

The Goals and Actions identified in this Corporate Procurement Plan will be the targets to be achieved over the life cycle of this plan. These targets have been matched to the Corporate Plan actions and listed in the table below:

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Corporate Procurement Plan 2019-2021

	Goals	Actions	Timescale
1	Change		
1.1	Review current procurement structures/activities within the Council.	To complete a review of current procurement activities within the Council to determine if the procurement structure should be revised and/or strengthened. Consider centralising some buying expertise to negotiate improved procurement deals.	2019/2021
1.2	Develop a more strategic approach to purchasing by working with directorates/ area managers/ budget holders and sections.	To carry out reviews of spending across the Council to identify a strategic procurement approach to generate efficiencies and achieve better value for money.	Term of Plan
1.3	Expand procurement approvals within Milestone 4.	Develop a process for procurement approval of plant hire payments within Milestone 4.	2019
1.4	Define Scope and Challenge Process.	Proper identification of need and analysis of requirement, focus on the “Business Need” not “Nice to Have”. Cross functional teams should be involved in a challenge process on all significant procurement decisions, to develop an appropriate tendering strategy Collaborative Tendering – Utilise National, Regional and Local Procured contracts. – MS4 – Procurement Checks. Peer Support Groups to facilitate internal department tender collaborations Procurement Procedure manual to encourage and facilitate good performance practises, Better tender specifications and proper procurement planning Monitor local Product Codes and local Procurement References and map them to national product codes and National Procurement References for better spend analysis across the public sector	Term of Plan
2	Performance		
2.1	Ensure compliance with relevant Procurement legislation.	Ensure up to date procurement policy & procedures are in place. Ensure procurement process is in line with best practice. Have well trained and experienced procurement personnel. Develop checklists and templates to avoid errors and ensure consistent approach.	Term of Plan

Mayo County Council Corporate Procurement Plan 2019 – 2021

		Maintain a register of contracts.	
2.2	To continue cost saving initiatives such as aggregation throughout the organisation	This will be driven by the Procurement Officer in conjunction with Section Heads and other Local Authorities with a view to possible collaborative tendering. Regular procurement briefing sessions on a sectoral basis will help to focus on the need for maintaining a sound procurement ethos throughout the organisation.	Term of Plan
2.3	To monitor and measure procurement-related activity to ensure that the adopted procurement policies and strategies are working efficiently and effectively.	Review and analyse annual spend data to measure past performance and inform any future procurement plan. The Procurement Officer will recommend corrective actions identified and may put in place key milestones and timelines for the attainment of the policy's goals and objectives.	Term of Plan
2.4	Manage procurement as an organisational risk factor in Mayo County Council's risk register	Include risk register mitigation actions for Procurement in the Corporate Procurement Plan.	2018 Term of Plan
2.5	Improve contract management	Maintain a register of contracts. Have clear written procedures for contract management. Consider contract management issues early in procurement cycle. Define roles and 18 responsibilities for management of contracts. Use procurement reference codes to track spending by contract. Ensure the contract has dispute resolution procedure.	Term of Plan
2.6	Encourage supplier performance	Ensure tendering process is well conducted. Ensure good communications with supplier. Ensure terms and conditions of contract are adequate to meet the specific requirement of the contract (contractual remedies). Ensure variation and change control approval process is adequate and is known to all relevant people.	Term of Plan
2.7	Improve financial controls	Improve financial assessment before development of specification. Specify requirements clearly in tender documents.	

Mayo County Council Corporate Procurement Plan 2019 – 2021

		<p>Establish clear authority limits, roles and responsibilities.</p> <p>Ensure payments against original invoices only.</p> <p>Ensure good supplier relationship management.</p>	Term of Plan
2.8	Take steps to mitigate against fraud	<p>MCC’s LA auditor and our internal audit function audits the internal governance and financial controls of MCC.</p> <p>Develop comprehensive procurement policy and procedures manual & provide adequate training to all staff.</p> <p>Ensure that there is a clear separation of duties in the purchase to pay cycle</p> <p>Conduct random internal audits in the procurement function</p> <p>Require all staff involved in a procurement process to sign a declaration re conflict of interest and confidentiality.</p> <p>Conflict of interest and Confidentiality agreement to be signed annually by relevant staff and members from the tender opening committee.</p> <p>Best Practise is incorporated into the Councils Corporate Procurement Plan.</p> <p>Council Staff must comply with the Department of Housing, Planning and Local Government, Code of Conduct for Local Authority Employees, and the charter on Ethics in Public Procurement.</p>	Term of Plan
2.9	Deliver the Public Spending Code	<p>Project appraisals and planning to be carried out when necessary.</p> <p>Quality Assurance procedure to be undertaken on an annual basis, including spend inventory, checklists, audits, and annual reports to NOAC.</p> <p>Confirmation of assurance of compliance with the Public Spending Code is sought on an annual basis from the Heads of each Section/Department.</p>	Term of Plan
2.10	Improve Performance Reporting	Report once off gains separately to on-going savings.	Term of Plan
3	Delivery		
3.1	Provide information, advice and support to the staff within the Council.	Develop a procurement information management structure (including Milestone 4) with details of compliance information, checklists, templates and other relevant procurement information	

Mayo County Council Corporate Procurement Plan 2019 – 2021

		Development of the existing on-line intranet procurement library to provide access to appropriate regulations, guidance documents and other sources relevant to purchasing departments and management.	Term of Plan
3.2	To participate in public sector procurement initiatives as they arise and are deemed appropriate to the organisation.	To participate in new or existing national, regional and other procurement arrangements where they are beneficial to MCC. E.g. Framework agreement and contracts put in place by OGP, LGOPC and other bodies.	Term of Plan
3.3	Avoid Inadequate Contractual Terms & Conditions	<p>Good contract terms and conditions to be put in place, including but not limited to:</p> <ul style="list-style-type: none"> • Scope of work, • work programme, • rights and obligations of purchaser & supplier, • parties to the contract, • performance milestones, • agreed price. <p>It should also include</p> <ul style="list-style-type: none"> • fair and clear allocation of risk and responsibility, • provision for early termination, • remedies for breach of contract/under performance. <p>Contract terms and conditions are included in the initial tender process. Seeking the correct Insurance requirements. Seeking proper Health and Safety requirements at tender stage. Utilising the relevant government form of contracts for works & OGP form of contract for goods, supplies and services. Monitoring contractor performance and having in place an agreed Schedule of Works/delivery of service plan (where necessary)</p>	Term of Plan
4	Innovation		
4.1	Strive for cost efficiencies through use of procurement tools including e-procurement tools.	Maximise the use of fuel purchasing cards while providing support to budget holders. Investigate the use of purchasing cards in areas of low value spend, especially purchase orders paid for less than €500.	Term of Plan

Mayo County Council Corporate Procurement Plan 2019 – 2021

4.2	Implement Sustainable Procurement model	Introduce further sustainability requirements into tender evaluation criteria and explore the use of social clauses.	
4.3	Avoid technology pitfalls such as obsolescence or sub-optimal solutions	Conduct market research. Obtain sample(s) for test where appropriate. Conduct site visits to other business users. Ensure specification is market based and is set out in terms of performance and/or functional requirements where possible. Ensure challenge process is carried out on specifications and procurement strategy. Ensure tender evaluation process is conducted in a comprehensive fashion.	Term of Plan
4.4	Promote a willingness to accept obligations associated with procurement compliance.	Engineer a change in culture so that purchasers “Buy In” to achieving value for money. Develop an image of being enablers rather than disablers. Explore the possibility of having procurement champions in each section.	Term of Plan
4.5	Investigate Contract Management Software	Look at alternative ways of using IT to Manage Contracts	Term of Plan
4.6	Assist in meeting Climate Action targets including the Councils 2020 Carbon emission targets	Provide energy usage data. Investigate the potential of Electric Vehicles for reducing carbon emissions. Encourage consideration of carbon emissions when developing tender documents.	Term of Plan
5	On-line		
5.1	Meet European deadline for electronic tendering.	Promote the use of online tenders & quotations through procurement portals such as eTenders and Supplygov throughout MCC.	Immediate
5.2	Expand the use of On-line Systems to support Procurement	Move all tenders to electronic submission.	Immediate
5.3	Develop Mayo County Council website to include Procurement content	Include access to procurement reports though the MayoCoCo.ie website. Add a frequently asked procurement questions function to MayoCoCo.ie Website.	Immediate
6	Communications		

Mayo County Council Corporate Procurement Plan 2019 – 2021

6.1	Continue to promote and develop corporate awareness of procurement.	Update the Procurement intranet presence to improve the user interface. Introduce Procurement content into the Council website, Improve awareness through communication tools such as Email, “How to” videos, quick reference cards, and the Communications Section (e.g. ezine).	Term of Plan
6.2	Advocate collaboration	Promote collaboration with other councils with similar purchasing requirements. Promote collaboration with other sections within the Council to leverage purchasing power.	Term of Plan
6.3	Promote Small and Medium Enterprises (SME’s) participation and recognise the economic impact of procurement on the local SME sector.	Introduce frequently asked procurement questions to the Council website. Recognise the impact of national / sector / regional aggregation on the local economy. Be conscious of the potential of, or impact on, SMEs at each stage of the procurement cycle (identifying the need, specifying, the award process etc.). Use local radio and media to promote doing business with the Council. Support Inter Trade Ireland & OPG initiatives to reach out to business. Add a frequently asked procurement questions function to MayoCoCo.ie Website.	Term of Plan
6.4	Encourage Procurement Planning	Encourage the effective planning of procurement spend including ordering in bulk and maintaining items in stock to avoid emergency purchasing.	Term of Plan
7	Up-skilling		
7.1	Promote knowledge & skills in procurement disciplines, tendering etc	Continue to deliver training programmes and initiatives to improve procurement skills and knowledge across the Council appropriate to individual roles.	Term of Plan
7.2	Mitigate the Health & Safety implications of Procurement.	Implement the Councils’ policy and procedure for the management of the safety aspects of procurement.	Term of Plan
7.3	Take steps to mitigate against Fraud.	Develop comprehensive code of business ethics and provide adequate training. Include procurement ethics in all induction training to new staff.	Term of Plan

Mayo County Council Corporate Procurement Plan 2019 – 2021

7.4	Expand remit beyond goods and services to include more works.	Provide training to procurement staff regarding works contracts.	Term of Plan Q4 2018
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4.3 Case Studies

4.3.1 Managed Print Solution

The Efficiency Review Team has directed that a Managed Print Service be introduced into Mayo County Council. A tender has been awarded to a company called Hibernian (recently acquired by Apogee). The objectives of a Managed Print Service are as follows:

- Reduction in printing costs
- Reduction of print volume
- Reduction of paper volume
- Reduction of printout waste
- Reduction in energy consumption
- Simplified Management of Printing

Savings

Our current annual print volumes are 3m mono and 1.6m colour printed pages.

Current cost of printing estimated at €248,000 per annum (independently verified).

With no reduction in the volume of printing the following is estimated to be our annual costs for 2017

- Mono €1,402
- Colour €3,480
- Estimated total cost for 2017 €14,882

Savings Breakdown

- 2016 annual cost of printing is estimated at: €248,000
- Estimated total cost for 2017: €14,882
- Our initial savings target was 20% of our current spend or €50,000 per annum.
- The contract is for 3 years with an option to extend for a further year.
- This would put the savings at €50,000 * 4 years which comes to €200,000 over the life time of the contract.
- We expect the savings to exceed 20% estimate significantly as indicated by the figures above.
- The figures above do not take into consideration any future reduction in the **volume** of printing.

Cost Model

- The cost model in place under this contract is based on a cost per printed page and is set out below.
- **There is no Capital expenditure on this project.**
- **You only pay for what is printed.**
- The cost of the devices, toners, consumables and call out charges are contained in the cost structure below.
- An invoice will issue on a quarterly basis starting January 2017. The invoice will be emailed to a designated contact in each office.

Paper Size	Colour/Mono	Price per printed page
4	Mono	0.58 cent (€0.0058)
A4	Colour	4.75 cent (€0.0475)
A3	Mono	0.91 cent (€0.0091)
A3	Colour	9.24 cent (€0.0924)

Mayo County Council Corporate Procurement Plan 2019 – 2021

Implementation of Managed Print Service

- The IS Department was tasked with implementing this initiative under the direction of the Efficiency Review Team.
- Introduction of this Managed Print Service required a significant change management process to be implemented.
- All printers in the major offices are now replaced.
- The number of printers in use has been reduced from approximately 350 to 73 devices.
- All users have been issued with a 5 digit PIN. The PIN will be required to release print jobs, photocopy or scan documents.

4.3.2 Hire V Purchase of Vehicles

In 2018 the Efficiency and Procurement team continued to promote a move away from long term hire of vehicles to purchase through the OGP direct drawdown framework. The historic reluctance to purchase was borne by the upfront capital costs. However, post-recession there are a number of financial institutions offering competitive rates to finance the purchase of vehicles.

The PERT produced calculations that showed MCC could generate savings of > €26K per vehicle (7.5T tipper). These figures were based on financing vehicles with a rate of 3.3% (Bank of Ireland), allowing for maintenance costs and disposing of the vehicles after 8 years. The actual savings might be much larger. MCC currently have a number of vehicles on continuous hire for > 15 years.

In 2008 we have purchased:

No.	Description	Potential savings over 8 years
8	7.5 Tonne tipper Pickup	€26,286
1	3.5 Tonne tipper Pickup	€12,000
Total estimated savings		€22,288

These savings will be realised over 8 eight years on the 9 vehicles. There are still >50 long term vehicles being hired into MCC. If these vehicles were off hired and vehicles purchased through the national framework it would generate savings of > €1M for Mayo County Council.

4.3.3 Green Procurement

In 2018 the PERT procured 2 No. Battery Electric Vehicles (Citreon Berlingo). Sustainable procurement can play a leading role in resource waste reduction, helping us better manage our resources and improve efficiency. In addition to the long-term costs benefits, MCC want to be an example to businesses to act responsibly and to look after the environment.

5 Conclusion

The main objective of this plan is to deliver value for money whilst at the same time ensuring compliance and governance structures within MCC. The plan focuses on continuous improvements within Mayo County Council by setting goals/actions and targets to be achieved. The Procurement & Efficiency Review team will continue to take a strategic approach to procurement and use its significant spending power to advance our objectives and goals.

The potential benefits to be derived from the successful application of the objectives and actions in this report are significant. However, their implementation and execution will present several challenges, that will need to be addressed over the course of the plan, if targeted benefits are to be realised.

Mayo County Council Corporate Procurement Plan 2019 – 2021

6 Appendix 1 – MCC spend covered by Procurement.

The following account elements, both revenue and capital, are subject to procurement engagement. The data shown is for the year 2017. This figure will vary from year to year depending on budgets, grants available etc.

Year	Account Element	EURO
2017	Capital Contracts Expenditure	€8,654,533.47
2017	Materials	€5,333,306.78
2017	Hire (Ext) - Plant/Transport/Machinery & Equipment	€4,810,842.50
2017	Minor Contracts- Trade Services & other works	€4,467,042.45
2017	Issues from Tar Stores	€2,876,982.39
2017	Energy / Utilities	€2,646,795.36
2017	Consultancy/Professional Fees and Expenses	€1,826,708.17
2017	Training	€1,419,372.97
2017	Issues from Stores	€933,363.93
2017	Non-Capital Equip Purchase - Fire Services	€808,360.48
2017	Computer Software and Maintenance Fees	€788,786.19
2017	Communication Expenses	€516,259.34
2017	Non-Capital Equip Purchase - Other	€387,702.59
2017	Advertising	€380,213.35
2017	Printing & Office Consumables	€311,540.18
2017	Repairs & Maintenance - Plant	€258,473.89
2017	Arts Activities	€226,766.96
2017	Postage	€177,931.53
2017	Non-Capital Equip Purchase - Computers	€164,698.46
2017	Legal Fees and Expenses	€138,999.45
2017	Library Book Purchases	€126,325.55
2017	Security - Property	€89,541.80
2017	Other Vehicle Expenses	€52,824.52
2017	Audit Fee	€50,315.00
2017	Non-Capital Equip Purchase - Office Equip/Furniture	€47,721.21
2017	Repairs & Maintenance - Computer Equip	€40,849.03
2017	Repairs & Maintenance - Other Equip	€35,858.62
2017	Non-Capital Equip Purchase - Machinery Yard	€14,736.02
2017	Recruitment Expenses	€1,411.10
2017	Courier	€1,102.07
		€37,589,365.36

7 Glossary of Acronyms

CCMA	County and City Management Association
CPP	Corporate Procurement Plan
EEC	European Economic Community
GPP	Green Public Procurement
LEO	Local Enterprise Office
LGER	Local Government Efficiency Review Group
LGER PMO	Local Government Efficiency Review Programme Management Office
LGMA	Local Government Management Agency
LGOPC	Local Government Operational Procurement Centre
LGSPC	Local Government Strategic Procurement Centre
LVP	Low Value Purchases
MCC	Mayo County Council
MS4	Milestone 4
NOAC	National Oversight & Audit Commission
NPO	National Procurement Office
OGP	Office of Government Procurement
RFQ	Request for Quotations
RFT	Request for Tenders
SME	Small and Medium Enterprises
PSG	Peer Support Group