



FULL COUNCIL REPORT

Date Written	4 th January 2016
Report Author	Paul Davies
Service Area	Procurement
Exempt/Non Exempt	Non Exempt
Committee Date	27 th January 2016

To: Mayor, Ladies and Gentlemen

PROCUREMENT STRATEGY, PROCUREMENT RULES AND E-INVOICE POLICY

1.0 SUMMARY OF THE REPORT

- 1.1 The previous procurement strategy expired in 2012, the new strategy has been developed to support the development of procurement across the organisation.
- 1.2 The procurement rules were revised and approved in April 2014, the rules have been further amended to reflect the Public Contract Regulations 2015 (PCR 2015) and the updated Welsh Procurement Policy Statement (WPPS) which was issued in June 2015.
- 1.3 The e-invoice policy is created to support policy 6 of the WPPS and to assist on the implementation of the Value Wales e-trading programme which Merthyr Tydfil CBC recently signed up to. The basis of the policy is to ensure that there is no deviation from the suppliers adopted into the programme.

2.0 RECOMMENDATION(S) that

- 2.1 The Procurement Strategy be approved;
- 2.2 The amended Procurement Rules be approved;
- 2.3 The implementation of the e-invoice policy be approved.

3.0 INTRODUCTION AND BACKGROUND

- 3.1 The development of the procurement strategy is in direct response to the Welsh Government procurement fitness check where Merthyr Tydfil CBC attained a *'working towards conformity'* score. One of the key areas of improvement was on the development and approval of a fit for purpose procurement strategy.
- 3.2 The procurement strategy links in with the corporate strategy and creates a sound base for improving procurement across the organisation by ensuring that modern procurement practices and resources are adopted across the council when commissioning goods/services and works.
- 3.3 The next round of procurement fitness checks are due to commence before the end of this financial year, the approval of this strategy will help improve our maturity score.
- 3.4 The strategy is intended to be in force for three years from the date of approval with annual reviews by the Procurement Manager to ensure its ongoing fitness for purpose.
- 3.5 The procurement strategy is attached at Appendix A
- 3.6 The procurement rules have been subject to some minor revisions to ensure compliance with external legislation and policy. The changes have been approved by Legal. The key changes to the rules are listed in Appendix B
- 3.7 The revised Procurement Rules is available via the background paper link.
- 3.8 The e-trading programme being delivered by Value Wales is intended to deliver a more streamlined purchase to pay process by increasing our capabilities around e-invoicing. The target set for Merthyr is up to 10000 transactions per year. Whilst we already have the facility for e-invoicing through our p2p system, the e-trading programme is offering free support to increase this capability through supplier adoption techniques.
- 3.9 One of the main elements of e-trading is to issue an e-invoice policy to suppliers that are engaged through the e-trading programme, this will ensure that we maximise our e-invoice potential and reduce process costs. The introduction of this policy will pave the way for a No Purchase Order No Pay Policy.
- 3.10 The e-invoice policy supports policy 6 of the WPPS – simplified and standardised processes.
- 3.11 The e-invoice policy is attached at Appendix C.

4.0 FINANCIAL IMPLICATION(S)

4.1 There are no negative financial implications associated with the Strategy, Rules and Policy

5.0 SINGLE INTEGRATED PLAN AND SUSTAINABILITY IMPACT SUMMARY

5.1 The Single Integrated Plan & Sustainability Impact Assessment has been completed and the proposals positively impact on a number of aspects of the Corporate Plan and Single Integrated Plan, including People in Merthyr Tydfil benefit from a strong, sustainable and diverse economy, People enjoy a vibrant, attractive, safe and sustainable place in which to live, work, play and visit, Sustainable Development - enhancing the economic, social and environmental wellbeing of people and communities, achieving a better quality of life for our own and future generations, Financial Sustainability of Public Services and Equal opportunities. No negative impacts have been identified.

6.0 EQUALITY IMPACT ASSESSMENT

6.1 An Equality Impact Assessment (EqIA) form has been prepared for the purpose of this report. It has been found that a full assessment is not required at this time. The form can be accessed on the Council's website/intranet via the 'Equality Impact Assessment' link.

ELLIS COOPER
CORPORATE DIRECTOR
PLACE AND TRANSFORMATION

COUNCILLOR PHIL WILLIAMS
GOVERNANCE AND CORPORATE
SERVICES

BACKGROUND PAPERS		
Title of Document(s)	Document(s) Date	Document Location
Procurement Rules		Background Papers Link on the Intranet/Internet
Does the report contain any issue that may impact the Council's Constitution?		Yes

Consultation has been undertaken with the Corporate Management Team in respect of each proposal(s) and recommendation(s) set out in this report.