



Dublin City Council

Comhairle Cathrach Bhaile Átha Cliath

**DUBLIN CITY COUNCIL
CORPORATE PROCUREMENT PLAN**

2015 – 2017

CORPORATE PROCUREMENT PLAN 2015-2017

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1. Introduction

1.1 Vision for Procurement

In recognition of the wider impact that procurement strategy, policy and practice has on the outcomes achieved by the City Council, our vision for procurement is:

To be a value added procurement function that is strategically focused to support the delivery of innovative, sustainable, cost-effective and quality services in line with corporate priorities.

In addition, this strategy sets out the following principles that underpin excellence in public procurement:

- **Collaboration**

Dublin City Council will engage with other public bodies in partnering arrangements to maximise procurement collaboration.

- **Competition**

Dublin City Council will procure works, goods and services in the most competitive way to attract high quality suppliers through a process which is compliant with public procurement rules and regulations.

- **Value for Money**

Dublin City Council will, in so far as is practicable, utilise the most economically advantageous tendering approach including whole-life costing (where appropriate) as part of its procurement process to achieve best value results for the organisation.

- **Transparency**

Dublin City Council will conduct the procurement process in a manner that is transparent and fair to all suppliers.

- **Non-discrimination**

Dublin City Council will continue to ensure that its procurement processes and procedures are designed and applied to ensure equal treatment for all suppliers.

- **Sustainability**

In conjunction with delivering best value for money, Dublin City Council will continue to embed sustainable use of resources in procurement decision making. Sustainable and Green procurement initiatives will continue to be considered as part of the procurement process. Efforts to advance the targets set out in the National Green Procurement Action Plan – Green Tenders will be made with an emphasis on the priority areas indicated in the Plan.

- **Innovation**

Procurement will adopt a strategy which focuses on outcomes rather than specification based results. This will place Dublin City Council in a strong position to capitalise on innovative solutions from SMEs and other sources.

2. Objectives

2.1 Dublin City Council Procurement Objectives

- To continue a category management approach to procurement across the organisation.
- To deliver a common, corporate process of strategic sourcing, supplier relationship development and contract management.
- To support an efficient devolved procurement function within departments.
- To achieve efficiencies and cost reduction through the procurement process.
- To enhance leadership, governance, awareness and skills within the procurement function.
- To ensure compliance with all relevant policies and procedures.
- To increase the proportion of spend with contracted suppliers.

2.2 European and National Procurement Directives & Guidelines

Dublin City Council's procurement policy and procedures are in line with European Union and national objectives for public procurement as set out in the following documents:

2.2.1 European Directives

- Directive 2004/17/EC of the European Parliament and of the Council relating to all procurements with the exception of contracts linked to the provision of Water Services.
- Directive 2004/18/EC of the European Parliament and of the Council relating to contracts linked to the provision of Water Services.
- S.I. No. 130 of 2010 European Communities (Public Authorities' Contracts) (Review Procedures) Regulations 2010
- S.I. No. 131 of 2010 European Communities (Award of Contracts by Utility Undertakings) (Review Procedures) Regulations 2010

2.2.2 National Guidelines

- Circular 10-14 – Initiatives to assist SMEs in Public Procurement
- Circular 16-13 – Revision of arrangements concerning the use of Central Contracts
- Circular 13-13 – The Public Spending Code: Expenditure planning, appraisal and evaluation in the Irish Public Service – Standard Rules and Procedures
- Circular 02-11 – Additional ICT Requirements
- Circular 02-09 – ICT Expenditure
- National Action Plan on Green Public Procurement 2011 – “Green Tenders”
- National Public Procurement Policy Framework 2005

Dublin City Council's procurement policies and procedures will be amended, as required, to take account of the following EU Directives upon their transposition into Irish law:

- Directive 2014/23/EU (Concessions)
- Directive 2014/24/EU (Public Sector)

- Directive 2014/25/EU (Utilities)

The City Council's Procurement Policy and Procedures Manual also takes account of all directions issued by the Finance and Local Government Departments by way of circular letters.

2.3 Key themes of Public Procurement Policy

- To operate in an environment of transparency, openness, fairness and legal compliance with public procurement rules and regulations while delivering optimum value for money through best practice methodology and procedures.
- To continue the professional management of procurement in the Council while maximising efficiencies and minimising risk.
- To seek opportunities to collaborate with other bodies such as the Office of Government Procurement (OGP) and other organisations where it is in the best interests of the Council to do so.
- To promote, support and encourage continuous skills improvement among all staff involved in a procurement role.
- To continue to address and promote sustainable procurement through reduction of waste and more efficient use of resources. The ongoing promotion of the application of green initiatives throughout the procurement stream will continue to be to the forefront of procurement processes. To this end the City Council is aware of the requirements of the National Green Procurement Action Plan particularly in relation to the key target areas.
- To embrace and promote innovation in procurement to deliver optimum results and provide greater opportunities for SME participation in the tender process. Through the implementation of this approach to provide access to improved solutions for consideration by the City Council. Consideration of variants in providing a procurement solution will be encouraged at tender stage.

3. The Procurement Plan

3.1 The National Public Procurement Policy Framework 2005 defines public procurement as:

“The acquisition, whether under formal contract or otherwise, of works, supplies and services by public bodies. It ranges from the purchase of routine supplies or services to formal tendering and placing contracts for large infrastructural projects by a wide and diverse range of contracting authorities” This Framework requires public authorities to develop a Corporate Procurement Plan to include an outline of requirements for significant purchases and to set out procurement strategy to deliver on reforms in public procurement policy.

3.2 The objective of this Procurement Plan is to set a clear framework for procurement throughout the Council for the next 3 years. The environment in which procurement operates has changed due to economic factors, changing competitive markets and pressures on public finances to leverage efficiencies and economies of scale. Dublin City Council will work with suppliers and other public agencies such as the Office of Government Procurement to maximise improvement in procurement solutions/performance.

3.3 The Plan will clarify for stakeholders the visions and principles for the future of procurement in Dublin City Council. It will also set out the challenges that the Council faces, detail the key targets that we will attempt to achieve and the methodology that will be employed to ensure success.

3.4 By promoting and implementing this Plan, the City Council can expect to realise the following benefits:

- More effective, efficient, innovative and sustainable procurement
- Improvement in procurement outcomes
- Improved value for money
- Effective collaboration and partnerships
- Better risk management and business continuity
- Better project planning
- Compliance with procurement regulations and good corporate governance.

3.5 This Corporate Procurement Plan will be communicated to all stakeholders who will be encouraged to become catalysts for improvement and best practice. Procurement rules are complex and the challenge is to ensure that procurement functions in a legal and professional manner with the highest standards of probity, transparency, openness, accountability and fairness.

4. Implementation

In implementing this Procurement Plan, Dublin City Council will build on the strategic approach to procurement which commenced with the Corporate Procurement Plan 2008-2010.

The following basic principles will be further developed and enhanced subject to the availability of the necessary resources.

4.1 Strategic Approach

- An Annual Corporate Procurement Plan will be developed.
- Continue to focus on a value for money approach.
- Establish a targeted cost reduction programme.
- The Central Procurement function will continue to conduct spend analysis reviews.
- Procurement at both central and local level will identify and drive increased value, reduce total corporate costs and generate greater efficiencies and financial savings.
- Senior management will provide supportive leadership for the strategy throughout the Council.

4.2 Process & Procedure

- Increased contract-based purchasing will be pursued in order to deliver better value for money outcomes.
- Best procurement practice will be facilitated through supplier rationalisation and elimination of purchases from non-contract suppliers.
- Better internal communications will help to drive improved procurement awareness and skills.
- The use of templates for key documents will ensure consistency and compliance with good governance and the need for transparency.
- Utilisation of national, regional and sectoral agreements and corporate contracts will be pro-actively pursued and off-contract expenditure will be minimised.

4.3 Organisational / Operational

- A central procurement structure continues to ensure an overall corporate perspective and support to devolved departmental procurement functions in Dublin City Council.
- Corporate contracts have been developed as proof of concept to demonstrate the level of efficiencies which can be achieved.
- A number of Office of Government Procurement (OGP) contracts have been adopted for use by the Council. It is expected that further contracts will be used as they come on stream.
- The Central Procurement Unit (CPU) will seek to identify additional corporate contracts as part of the spend analysis process.
- The CPU will engage with the Dublin Region Local Authority Procurement Group to identify and implement collaborative procurement opportunities.
- The CPU will continue to provide an advisory service to departments and will assist with publication of tender notices in the Official Journal of the European Union and on the central government procurement portal: www.etenders.gov.ie
- The CPU will continue to review and advise on tender documentation as required.

4.4 Training

- Training and staff development in best-practice procurement methodologies will continue for both Central Procurement Unit staff and those personnel with procurement functions within departments in order to strengthen the level of competencies and skills of procurement practitioners.
- The Central Procurement Unit (CPU) will continue to raise awareness of the complex regulatory framework associated with public procurement.
- CPU staff will be trained in appropriate tender evaluation techniques including whole-life costing where appropriate.

4.5 Supplier Relationship Management

- Relations developed with suppliers are vital to ensure smooth and efficient management of contracts. Supplier relationship management forms an important part of the contract management process and best practice dictates that it should be operative for all contracts.
- Opportunities will be explored for effective collaboration with the Office of Government Procurement (OGP) and other local authorities where appropriate.

4.6 Whole of Government Objectives

- Dublin City Council, within regulatory requirements, will seek to maximise innovative procurement solutions whilst optimising tender opportunities for SMEs.
- The Council's objectives in terms of sustainability and green procurement will be supported, where practicable, by procurement activities.

4.7.1 Corporate Governance

The Corporate Spend Analysis provides an opportunity for Dublin City Council to strengthen its corporate governance by ensuring greater compliance with procurement legislation/regulations and associated policies and guidelines.

To this end, the Council has developed a Corporate Procurement Policy and Procedures manual which has been widely distributed and is also available in electronic format on Dubnet. The latest version of this manual is always maintained on Dubnet.

5. Procurement Leadership Strategy

The Chief Executive has the executive responsibility for procurement and by order, delegates powers, functions and duties to the Senior Management Team, Executive Managers and analogous grades. The delegation orders provide details of the procurement responsibilities.

The Head of Finance by Order is responsible for ensuring that the most up to date procurement policies and procedures are in place. The Finance Strategic Policy Committee and the Audit Committee maintain an oversight relating to procurement in the Council.

5.1 Role of Head of Procurement

The Senior Executive Officer (S.E.O.), Central Procurement Unit, reporting to the Head of Management Accounting, is responsible for influencing best practice strategy development and implementation. Apart from development of the Corporate Procurement Plans, the S.E.O. is responsible for the following:

- Management of the Central Procurement Unit and Main Stores
- Leading and implementing best practice public procurement
- Maintenance of The Corporate Procurement Policy & Procedures Manual
- Provision of advice and guidance on best practice to all departments
- Dissemination of Government procurement guidelines and circulars
- Liaison and collaboration with the Office of Government Procurement (OGP) and Local Government Operational Procurement Centre (LGOPC) to develop shared contracts
- Liaison and collaboration with the Dublin Regional Local Authority Procurement Group to develop LA shared contracts and other procurement related initiatives
- Building capacity by identifying and providing appropriate training/seminars as appropriate.
- Development and management of a portfolio of corporate contracts
- Updating the Business Linkage Booklet

5.2 Role of Departments

Procurement in Dublin City Council is largely a devolved function with responsibility resting with Assistant Chief Executives, Executive Managers and certain analogous grades. The City Council Corporate Procurement Policy and Procedures Manual sets out policies and procedures for the procurement function.

6. Communication and Training

The strategy contained in the Corporate Procurement Plan is well embedded throughout the organisation but it is important that the objectives as set out in the Corporate Procurement Review 2005 continue to be communicated well, understood, and where practicable, implemented.

The Central Procurement Unit utilises channels of communication such as Dubnet, seminars and advisory sessions to ensure that staff are aware of developments and responsibilities within the procurement environment.

Note: See also, section 4.4, page 8.

7. Effective and Efficient Procurement

7.1 Engagement with the Market

Dublin City Council engages with the market and encourages suppliers to present innovative solutions which will deliver better value for money and a more efficient service to our citizens. Engagement with the market improves our knowledge of available supplies and services which enables better and more informed procurement decision making.

The City Council has participated in, and will continue to participate in, Meet the Buyer events organised by the Office of Government Procurement.

Efforts are made to encourage SME participation in tender opportunities and in this regard tender requirements are drafted in line with the requirements of Circular 10/2014. The Central Procurement Unit will collaborate with Dublin City Local Enterprise Office (LEO) to raise awareness of public procurement in the SME sector.

The City Council will manage contracts and develop relationships with suppliers in a manner that encourages them to strive towards continuous improvement.

7.2 Shared Procurement

The City Council has a proven track record in taking the lead role in the provision of shared services for the Dublin region. Examples of such collaboration are the provision of regional services including water, drainage and fire services.

In this tradition, the Central Procurement Unit has developed strong links with the Office of Government Procurement (OGP) and the Local Government Operational Procurement Centre (LGOPC) and has shared in the benefits of national frameworks. The City Council will continue to avail of suitable central procurement arrangements as and when they become available.

The Central Procurement Unit has developed a number of regional/sectoral Framework Agreements and will continue to progress the shared procurement agenda as suitable opportunities arise.

7.3 Best Practice Procurement

The Central Procurement Unit promotes best practice in procurement through management and monitoring of corporate contracts. The Central Procurement Unit corporate contracts are managed to ensure corporate compliance and eliminate any instances of maverick buying.

In addition, an enhanced focus on procurement strategy is promoted through consideration of initiatives such as:

- Framework agreements
- Variants
- Technical dialogue
- Competitive Dialogue Procedures for complex contracts
- Contracts with options
- Total Cost of Ownership as a cost criterion rather than Price only

7.4 Use of Standard Templates

The use of standardised templates ensures that the City Council is presenting a more cohesive approach to tendering, thus facilitating market participation in our procurements.

Dublin City Council complies with the requirements of the Capital Works Management Framework suite of templates and contracts for works related contracts.

Dublin City Council uses a standard suite of templates for the development of Supplies and Services tender documents. The Office of Government Procurement (OGP) is developing a full suite of templates for general supplies and services. These templates will be utilised when the full suite becomes available.

7.5 Procurement Advisory Service

The Central Procurement Unit disseminates national and EU policies, procedures and guidelines to all departments. The Corporate Procurement Policy and Procedures Manual was developed to provide links to all such policies.

A Procurement Advisory Pack was developed to ensure a standardised approach to procurement thus strengthening compliance with the procurement rules. It provides comprehensive guidance to all staff involved with procurement. The Advisory Pack is available on Dubnet.

A contracts database has been developed as a central repository for all Council contracts. This provides an overview of current contracts across all departments.

The Unit also provides an advisory service to other departments and assists with the development of contracts as required. Training seminars are arranged for all staff as necessary.

8. Value for Money

8.1 In the current economic environment there is an imperative to deliver greater savings from procurement activities. It is also necessary to demonstrate that, as a contracting authority, Dublin City Council seeks to maximise value for money during a period of limited financial resources and budgetary constraint. The Central Procurement Unit will continue to lead in the implementation of a strategy to ensure that value for money is incorporated in the Council's procurement processes. This strategy includes:

- Ongoing Spend Analysis to identify areas of spend with contract potential, capable of leveraging greater procurement savings on a corporate basis;
- Inclusion of whole life costing where possible into the evaluation of tenders to facilitate green and innovative procurement;
- Ongoing engagement with the Office of Government Procurement (OGP) to deliver savings generated through central contract arrangements, as appropriate;
- A collaborative procurement approach with the other Dublin Local Authorities.

8.2 The Corporate Procurement Unit Action Plan, below, highlights the objectives together with the actions required to achieve the desired outcomes.

9. Central Procurement Unit (CPU) Action Plan

OBJECTIVES	ACTIONS	OUTCOMES	TIMESCALE
Ongoing Promotion of Corporate Procurement strategy as set out in the Corporate Procurement Plan	<ul style="list-style-type: none"> • Communicate Corporate Procurement Plan across the organisation 	<ul style="list-style-type: none"> • Council staff reminded of strategy. • Ongoing promotion of best practice. • Consistent compliance with procurement rules. • Reduced risk of legal challenges. 	2015 - 2017
Develop Annual Corporate Procurement Plan	<ul style="list-style-type: none"> • Gather relevant contract information and circulate to departments • Seek data return from departments 	<ul style="list-style-type: none"> • Contract/tender opportunities identified. • Lead department assigned responsibility for implementation of specific contracts • Opportunities identified for collaboration with the OGP and other Dublin local authorities. 	2015 - 2017
Delivery of efficiencies and savings. Obtain best value for money.	<ul style="list-style-type: none"> • Central Procurement Unit (CPU) and lead departments to monitor contract spends and manage contracts. • CPU to review off-contract spend and report same to the appropriate authority. • CPU to consider development of further corporate contracts. 	<p>Reduced off-contract spend. Better budgetary control. Greater value for money delivered.</p>	2015-2017

Encourage market development of green and innovative solutions	<ul style="list-style-type: none"> • CPU to encourage departments to engage in market dialogue. 	<ul style="list-style-type: none"> • Greater understanding of the market to inform decisions. • Improved knowledge and understanding of potential risks. • Stimulate new suppliers and solutions. 	2015 - 2017
Compliance with procurement rules and guidance.	<ul style="list-style-type: none"> • Communicate new legislation, regulations, policies and procedures. • Ensure readiness for new Directive due 2016 • Update Corporate Procurement Policy and Procedures Manual . • Update Business Linkage Booklet 	<ul style="list-style-type: none"> • Improved organisational awareness. • Greater procurement compliance. • Supplier awareness and understanding of the Council's requirements. 	2015 - 2017
Contract Management & Supplier Relationship Management	<ul style="list-style-type: none"> • Departments to establish contract management/ monitoring process. • Regular contract performance reviews to be undertaken by departments • Develop issue resolution procedures. • Participate in Meet the Buyer events • Collaborate with Dublin City LEO 	<ul style="list-style-type: none"> • Improved supplier relationships. • Early warning of potential problems. • Greater user satisfaction ratings. • Collaboration on contract improvements. 	2015 - 2017
CPU to Maintain Database of Contracts and Oracle Flex-field as appropriate	<ul style="list-style-type: none"> • Raise awareness of the availability of the corporate contracts • Register/database for use by all departments. • Departments to provide timely updates to the CPU to ensure accuracy of database. 	<ul style="list-style-type: none"> • Accurate contract data to ensure efficient resource planning. • Opportunities for collaboration corporately and with the OGP and Dublin local authorities. • Planned, compliant and efficient procurement. 	2015 - 2017

<p>Training & Communication of best practice in procurement</p>	<ul style="list-style-type: none"> • Provide departments with updates on procedures & guidelines in a timely manner. • Arrange training & seminars as appropriate. 	<ul style="list-style-type: none"> • Best practice established on a corporate basis. • Compliance with regulations & guidelines. 	<p>2015 - 2017</p>
<p>eTendering</p>	<ul style="list-style-type: none"> • Use the eTenders website to the greatest extent possible. • Provide assistance to departments in preparing tender documentation prior to publishing. • Set 2016 as target for electronic receipt of tenders 	<ul style="list-style-type: none"> • All DCC tenders published on www.etenders.gov.ie • Minimisation of problems with departmental tenders published. • Compliance with EU and Government to move to full issue and receipt of tenders electronically 	<p>2015 - 2017</p>

10. Conclusion

The Corporate Procurement Plan (2015-2017), will continue to promote and support procurement practice and efficiencies to standards of best practice.

The timescales for delivery of the objectives contained in this plan are set out in the CPU annual Business Plan and are subject to the availability of the necessary resources and the continuing support of the City Council's departments.
