

REPORT

Report from the Procurement Steering Group

Author : Tony Beer
Head Of Best Value Unit
(01722) 434451
tbeer@salisbury.gov.uk

Cllr Collier : Deputy Leader

NATIONAL PROCUREMENT STRATEGY

1. Purpose of Report:

1.1 For Members to:

- (a) Note the requirements of the new National Procurement Strategy for Local Government
- (b) Note SDC's progress against the tasks and targets contained in the Strategy
- (c) Agree that the National Strategy and its "building block" programme becomes the work programme of the Procurement Steering group for the next 3 years.

2. Background:

- 2.1 In October 2003 the Government issued its National Procurement Strategy for Local Government. The Strategy resulted from the Byatt report into public sector purchasing. The general consensus of opinion from Byatt is that local authority procurement could be greatly improved which would result in lower costs and/or better value for money.
- 2.2 The main barriers to effective procurement were seen as being
 - Legal complexity
 - Risk aversion
 - A restricted supply market
 - A lack of client side capacity
 - Narrow approach
 - Organizational capacity
- 2.3 The National Procurement strategy attempts to address these issues and provide local authorities with the means to improve. Procurement performance varies from council to council, some are doing better than others but all will benefit from following the Strategy.

3. The National Strategy

- 3.1 The National Procurement Strategy consists of 3 main elements.
 - The strategy itself
 - A series of annual targets that each Council will be expected to achieve
 - A series of "building block checklists" that each Council should assess itself against.
- 3.2 A summary of the Strategy including the annual targets is attached as Annex A to this report. A summary of the "building blocks" together with brief comments on SDC's progress against each one is attached as Annex B

4. Key Points in the Strategy

4.1 Some of the more relevant points for this Council in the Strategy are

- Procurement should be used strategically and linked to achieving community plans
- Need for both Member and senior management involvement in decisions
- More joint procurement and collaboration between authorities
- Smaller authorities should share resources
- Lowest price not always best value – use whole life costing for “most economically advantageous deal”
- To have implemented e-procurement by 2005
- Be using corporate procurement cards by 2005
- To be using an appropriate e-market place (web-based ordering) by 2006
- Review rules and regulations
- Publish a “selling to the Council guide” on website with 5 year list of contracts
- More use of partnerships with private and voluntary sectors
- Reduce time taken to let large contracts by 10% by 2005 and 25% by 2006

5. How SDC's is responding to the Strategy

5.1 When the Byatt report was issued in 2002 this Council took on board many of the issues it raised and therefore we are already in a reasonable position to respond to the requirements of the National Strategy. For example

- Cabinet approved a comprehensive procurement strategy in June 2002
- The establishment of a Procurement Steering Group with
 - A Cabinet Member Champion
 - Policy Director involvement
 - Representation from those Units with most involvement in procurement
- Joint procurements with other authorities eg stationary contract
- Taking advantage of national contracts eg mobile phones, photocopiers
- Challenging best value review options appraisals

5.2 However, there are still a considerable number of areas that the Council needs to address including

- Procurement cards
- Reviewing procurement rules, regulations and procedures
- Skills training
- Building continuous improvement into contracts

5.3 Annex B sets out details of the recommendations in the National Strategy together with brief comments on how the Council is responding to them. However, it must be remembered that SDC is a small District Council and as such it may not be practical or desirable for it to follow all of the recommendations contained in the National Strategy.

5.4 It is recommended that Annex B forms the work programme of the Procurement Steering Group for the next 3 years.

6. Recommendations:

5.1 Cabinet is recommended to

- a) Note the requirements of the new National Procurement Strategy for Local Government

- b) Note SDC's progress against the tasks and targets contained in the Strategy
- c) Agree that the Strategy and its "building block" programme becomes the work programme of the Procurement Steering group for the next 3 years.

7. Implications:

- **Financial** : None in the report but individual actions arising from the Strategy may have considerable impact but these will be the subject of separate reports
- **Legal** : ditto
- **Personnel** : ditto
- **Human Rights** : None
- **Economic Development:** None
- **Community Safety** : None
- **Council's Core Values** : Excellent service
- **Ward(s) Affected** : None

NATIONAL PROCUREMENT STRATEGY - SUMMARY

Introduction

- 1.1 The National Procurement Strategy was launched by the ODPM at the end of October 2003. It lays down a 3 year strategy to be followed by all local authorities in order to improve their procurement practices and is based on the findings of the Byatt Report.
- 1.2 The strategy highlights the importance of procurement in delivering quality public services as well as the need for Local Authorities to invest appropriately in it. It seeks the implementation of best practice in procurement which will result in significant improvement in all aspects of public service delivery and performance including:
 - Achieving Community Plan objectives;
 - Quality of services;
 - Savings and better value for money;
 - Social cohesion and an equitable approach to procuring services;
 - Sustainability for communities and areas served;
 - Delivery of e-Government agendas;
 - Management and assessment of risks in the market place ;
 - Delivery of services through different structures and in new forms.
- 1.3 The ODPM will make arrangements for the periodic collection from councils of information necessary to build a more comprehensive picture of procurement.

The Strategy

- 2.1 The National Strategy is based around six key themes:
 - Procurement matters
 - Cultural shift
 - Providing leadership and building capacity
 - Partnering and collaboration
 - Doing business electronically
 - Stimulating markets and achieving community benefits
- 2.2 It also contains a number of “milestones” that have to be met in each of the 3 years of the strategy. In addition a check-list of self test questions is provided in order that authorities are able to judge their own performance
- 2.3 A summary of the main points of each theme are set out below

Procurement matters

- 3.1 This Section sets out the Government’s intentions behind the document. The vision is that **by 2006** all local authorities will be:
 - Delivering significantly better quality public services that meet the needs of all local citizens through sustainable partnerships they have forged with a range of public, private, social enterprise and voluntary sector organisations.
 - Confidently operating a mixed economy of service provision, with ready access to a diverse, competitive range of suppliers providing quality services, including small firms, social enterprises, minority businesses and voluntary and community sector groups.
 - Achieving continuous improvement from all categories of procurement expenditure, by putting in place an appropriate procurement strategy and the necessary resources for implementation.
 - Obtaining greater value for money by collaborating with partners at local, regional, national and European levels.

- Realising economic, social and environmental benefits for their communities through their procurement activities.
- Demonstrating improvement in equality and opportunity for businesses, service users and council staff.
- Stimulating markets and using their buying power creatively to drive innovation in the design, construction and delivery of services.

To support the Strategy the ODPM, in partnership with the LGA, will be setting up “regional centers of excellence” in procurement and project management.

(Dorset County Council has been chosen as the authority to host the centre of excellence for the South West Region.)

Cultural shift

4.1 A key message within this section is that the Government has developed a policy agenda of freedoms and flexibilities to encourage Councils to experiment with procurement and take calculated risks that will achieve better, more significant results including cost savings and improved services.

4.2 It provides a definition of procurement that goes much wider than simply buying goods and services. Procurement is about making the right choices to meet the council’s needs. It sets out clearly the ODPM’s view on what is a ‘good’ procurement decision:

*“Procurement’ is the process of acquiring goods, works and services, covering both acquisition from third parties and from in-house providers. The process spans the **whole cycle** from identification of needs, through to the end of a services contract or the end of the useful life of an asset. It involves options appraisal and the critical ‘make or buy’ decision which may result in the provision of services in-house in appropriate circumstances.*

In the context of a procurement process, obtaining ‘Best Value for money’ means choosing the bid that offers “the optimum combination of whole life costs and benefits to meet the customer’s requirement”. This is not the lowest initial price option and requires assessing the ongoing revenue/resource costs as well as initial capital investment. The council’s requirement can include social, environmental and other strategic objectives and is defined at the earliest stages of the procurement cycle.

The criterion of Best Value for money is used at the award stage to select the bid that best meets the requirement.

Procurement is about making choices. The choice that Members make about a particular contract or partnering arrangement is a very clear signal of what type of authority the council wants to be...”

4.3 Councils are encouraged to undertake procurement strategically.

High value, high risk procurements are clearly the important ones and need to be treated accordingly. For these a partnering approach is often appropriate together with a sound business case, proper project management and effective risk management.

Low value, low risk (ie routine) procurements are seen as ones that are best made through framework agreements and e-procurement. Joint purchasing with other councils is encouraged.

Providing leadership and building capacity

5.1 This section contains the following specific targets

- **By 2004** every council should adopt a corporate procurement strategy
- **By 2005** every council should be involved with a regional centre of excellence in procurement and project management
- **By 2006** every District Council should have carried out a health check against the National Procurement strategy

- 5.2 The section also contains a list of 15 “building blocks” the achievement of which will ensure that the Council is providing leadership and building capacity in procurement. These are the elements that the health check should be carried out against. A summary of these “building blocks” is set out in Annex B1 together with an indication of how SDC is doing against them.

Partnering and Collaboration

- 6.1 This section proposes partnering and collaboration. “Partnering” means the creation of sustainable, collaborative relationships with suppliers in the public, private, and voluntary sectors to deliver services, carry out major projects or acquire supplies or services
- 6.2 “Partnering” (as opposed to a formal partnership) is a very wide term which covers everything from tightly defined consortia to loose framework agreements
- 6.3 Collaboration means councils working together.
- 6.4 The section also contains 10 “building blocks” under the “partnering” heading and 5 under “collaboration”. These are set out Annex B2 together with an indication of how SDC is doing against them.
- 6.5 The following specific targets are also included in this section
- **By 2005** the average time taken for OJEC notices is reduced by 10%
 - Smaller District Councils should be collaborating with others through the regional centres of excellence
 - Councils should be actively collaborating with each other for shared commissioning and/or delivery of services
 - **By 2006** the OJEC notice average time should be reduced by 25%

Doing business electronically – e-procurement

- 7.1 The strategic objectives of e-procurement are
- To achieve efficiencies in the “procure to pay” cycle
 - To use e-market places to access framework agreements and contracts
- 7.2 The following specific targets are also included in this section
- **By 2005** to have implemented e-procurement as part of the e-government programme
 - To have introduced procurement cards for low value purchases
 - **By 2006** to be using an appropriate e-marketplace (ie a web-based system enabling ordering from an electronic catalogue)
- 7.3 The section also contains 8 “building blocks” covering “stimulating markets and 6 covering “achieving community benefits through procurement”. These are set out Annex B3 together with an indication of how SDC is doing against them.

Stimulating markets and achieving community benefits

- 8.1 The strategic objectives of this section are that councils should
- Engage actively with suppliers
 - Use procurement to help deliver corporate objectives including the economic, social and environmental objectives set out in the community plan
- 8.2 The section contains 8 “building blocks” dealing with “stimulating markets” and 6 covering “achieving community benefits”. These are set out Annex B4 together with an indication of how SDC is doing against them.

8.3 The following specific targets are also included in this section

- **From 2003** all councils shall, where relevant, consult staff during procurement projects and build employment considerations into procurement processes and contracts, including compliance with the Local Government Act 2003, Circular 03/2003 and the associated code of practice
- **By 2004** every council should publish a 'Selling to the Council' guide on its corporate website together with details of bidding opportunities over the next 5 years and contact details for each contract.
- All corporate procurement strategies should address:
 - the relationship of procurement to the community plan, workforce issues, diversity and equality and sustainability;
 - how the council will encourage a diverse and competitive supply market, including small firms, social enterprises, ethnic minority businesses and voluntary and community sector suppliers.
- Sustainability must be built into procurement strategies, processes and contracts.
- Every council should conclude a compact with the local voluntary and community sector.
- Procurement processes for partnerships should include:
 - issuing an information memorandum to prospective bidders setting out the background to the project, the council's objectives and an outline of the procurement process and timetable, with roles and responsibilities made clear
 - inviting bidders to demonstrate their track record in achieving value for money through effective use of their supply chain, including the use of small firms; this should continue to be examined as part of contract management.
- **By 2005** every council should include in invitations to tender/negotiate for partnerships a requirement on bidders to submit optional, priced proposals for the delivery of specified community benefits which are relevant to the contract and add value to the community plan.
- Every council should have signed up to the national concordat for Small and Medium Enterprises (SMEs).

Next Steps

9.1 The final chapter sets out the key elements of the work programme of the ODPM and its partners over the next year:

- Development of a supplier forum.
- Development of a National Concordat framework for SMEs.
- Further development of the role of Members.
- Further development of the voluntary and community sector compact and partnership arrangements.
- Working with LEAs to develop better education procurement.
- Developing the role of the regional centres of excellence.
- Working with the Local Government Task Force to develop construction related issues.

PROVIDING LEADERSHIP AND BUILDING CAPACITY – The Building Blocks

	What the Council should be doing	SDC Progress
1	Demonstrate political leadership of procurement. The strategic importance of procurement should be reflected in an executive portfolio - creating a member “procurement champion”.	Deputy Leader is now champion
2	Demonstrate managerial leadership of procurement. It is vital that the chief executive is committed to a strategic approach to procurement. Corporate management teams should include a chief officer champion for procurement to ensure that procurement is seen as a strategic, rather than a narrowly based, technical issue.	Policy Director champion has been nominated. Steering group established
3	Implement a corporate procurement strategy. Councils should define the contribution procurement is to make to strategic objectives, analyse procurement spend, map the procurement portfolio, develop appropriate procurement strategies and policies, including option appraisal (the “make or buy” decision), identify roles and responsibilities, adopt a business plan and monitor its implementation using strategic performance indicators.	Strategy approved June 2002 PI's still to be developed
4	Establish a centre of expertise in procurement and project management. Single tier and county councils should establish a corporate procurement team, led by the professional head of the procurement function, to stand alongside finance, performance management, legal, human resources and other strategic functions. This should act as a focal point for procurement expertise within the council, including market knowledge, and for suppliers wishing to do business with the council. Smaller authorities should consider other options for creating a focal point and co-ordinating procurement across the council. That includes creating shared services for procurement with other councils or linking to regional centres of excellence for procurement	SDC working with Wilts CC and other DC's SDC focal point is Best Value Unit Also Housing Contracts Div
5	Carry out a skills audit and implement a training and development programme.	
6	Review and redesign procurement processes. Councils should map the procurement process for major projects and the order-to-pay process for ordering goods, establish transaction costs, and redesign processes to minimise the number of steps, cycle time and costs	
7	Review and revise procurement procedures. Councils should encourage questioning and review and revise their written procedures for procurement and contract management, including contract standing orders and financial regulations, to ensure they incorporate legal obligations (particularly EU procurement regulations), provide an adequate set of internal controls and embody best practices. Procedures should be easily accessible on the corporate intranet.	Review commenced
8	Maintain transparency. Transparency requirements include publishing a procurement plan (5 year forward programme), notifying contract award criteria in advance, keeping a corporate contracts register, publishing a Selling to the Council guide and website, publishing prior information and contract award notices and making statistical returns as required under the EU procurement regulations	Selling guide started on SDC website
9	Audit compliance. Councils need to have systems in place to ensure that there is compliance with mandatory procurement policies and procedures, including legal obligations (EU procurement regulations).	In place

10	Ensure early involvement. This includes early involvement of the procurement function in Best Value and other strategic reviews, early involvement of client and contract managers and legal, finance, human resources and other advisors in procurement projects, early involvement of staff and their representatives in Best Value and other strategic reviews and procurement processes involving staff transfers, and early involvement of suppliers and their supply chains	Largely in place
11	Make best use of purchasing power. Councils should set up framework agreements and other corporate contracts to obtain volume discounts.	On-going – a number of corporate contracts set up. Specimen agreements designed
12	Implement an appropriate e-Procurement solution. Councils should assess the business case for e-Procurement solutions, ranging from procurement cards to e-Marketplaces, and implement an e-Procurement strategy.	Commencing to investigate use of cards
13	Manage major procurements as projects and introduce gateway reviews. The core principles of project management should be applied. Programme management will be required where there is a portfolio of procurement projects (e.g. in ICT or construction). Independent gateway reviews make an important contribution to the successful outcome of projects. They are a means of controlling risks and assuring quality.	Major procurements are managed as projects
14	Manage contracts and supplier relationships. Do not “let and forget”. Plan well ahead for contract management. Managing relationships with suppliers is as important as monitoring performance and controlling the contract. This is particularly important in partnering arrangements. Be aware of the importance of understanding the supplier’s perspective.	On-going
15	Measure performance of the procurement function. Under Best Value it is important not only to monitor the performance of suppliers, but also to measure the performance of the procurement function in terms of delivery of the corporate procurement strategy and day-to-day management of the function.	Difficulty measuring savings as often budgets don’t exist

PARTNERING AND COLLABORATION – The Building Blocks

	What the Council should be doing - Partnering	SDC Progress
1	Carry out a challenging option appraisal. Best Value Reviews and similar strategic reviews should always include a robust and challenging appraisal of available service delivery models	Both the BV Toolkit and Procurement strategy require this
2	Examine partnering models. Where partnering is the appropriate route, a number of service delivery models may be considered. The preferred model should be identified in a business case before procurement commences	Both the BV Toolkit and Procurement strategy require this
3	Consider uses of the new trading powers. Councils in the top three CPA categories can establish trading companies. These companies can be a means by which stronger performing councils can jointly develop solutions for councils that are performing less well. Service delivery models based on the new powers can also be a means of accessing wider markets.	
4	Examine opportunities for collaborative procurement of partnerships. Joint approaches should always be examined	Starting to look at this with other Wilts councils and SWSA
5	Build continuous improvement into contracts. Structure incentives for continuous improvement into contracts, including linking payment for performance against key performance indicators.	In some contracts but more work needed
6	Follow best practice in the partnership procurement process. Partnership procurement processes should follow the step-by-step guidance to best practice set out in <i>Rethinking Service Delivery</i> and the service-specific guidance contained in the 4ps procurement packs	
7	Adopt a structured approach to project and risk management. Councils should adopt an approach to procurement management based on the core principles of effective project management, including a project board and a dedicated project manager, and apply risk management techniques to projects and programmes	Structured approach to project and risk management is being introduced across SDC
8	Implement a gateway review process. Councils should adopt the Gateway Review process for all medium and high-risk projects. Guidance is available in the 4ps Gateway Workbooks.	
9	Streamline procurement processes. Councils should seek to reduce the total time and cost to procure partnerships by streamlining the process, eliminating unnecessary red tape and reducing dependency on external advisors. In particular they should seek to reduce the time from OJEU notice to contract award.	
10	Manage relationships as well as the contract.	
	What the Council should be doing - Collaboration	SDC Progress
1	Procure and commission jointly. A variety of models for joint commissioning can be considered including an informal arrangement, usually underpinned by a Memorandum of Understanding, a contractual agreement or a more formal structure, such as a joint committee or joint board.	Starting to look at this with other Wilts councils and SWSA
2	Create shared services. The creation of shared services (including shared procurement resources) is a form of public-public partnership that should be explored where smaller councils have relatively less capacity to deal with procurement in a corporate way	
3	Make best use of purchasing consortia. Councils should make intelligent use of framework agreements and contracts put in place by local authority purchasing consortia and other public bodies, such as the Office of Government Commerce (OGC), where these offer best value for money.	Already used wherever possible
4	Open framework agreements. Make sure that the framework agreements and contracts you let are open for use by all in the locality or region that might benefit from them, including other councils and public sector partners (health, police etc). Include appropriate wording in OJEU notices and tender/contract documentation	Have agreed with SWSA to do this – still need to agree in writing with other Wilts Councils
5	Use e-Marketplaces. E-Marketplaces have an important role to play in making framework agreements and contracts more widely accessible across local government, particularly to those smaller councils that lack procurement expertise.	

DOING BUSINESS ELECTRONICALLY – The Building Blocks

	What the Council should be doing	SDC Progress
1	Develop an e-Procurement Strategy. An e-Procurement Strategy needs to be more than simply about transactions, although these are the drivers for a successful outcome. e-Procurement has enormous potential to improve the performance of councils' procurement functions and to save them money.	
2	Build a business case for e-Procurement. It is essential that a strong business case is developed prior to the sourcing and implementation of an e-Procurement solution. The business case must cover: <ul style="list-style-type: none"> • The level of investment available to implement a solution • The level of risk associated with procuring and implementing a solution • The starting point for the council in terms of their level of maturity with regard to their approach to procurement. • The council's capacity to implement solutions • How the implementation of e-Procurement fits with the overall objectives of the council. In addition to this, the business case should also highlight the benefits that e-Procurement will bring.	
3	Work with suppliers to promote adoption. The key element in successful local government take up of e-Procurement is the supplier community. From large suppliers to small, all will be embracing new ways of working, these include: <ul style="list-style-type: none"> • Receiving orders via email, fax and web • Processing quotes, tenders and auctions electronically • Supplying electronic catalogues • Integrating their websites with council (e-Marketplaces) • Electronic billing • Automating accounts. Supplier adoption can be complex and demanding. The end goal should be to eliminate paper based information and the associated costs, material, time and postage. Small firms must be considered when implementing any solution. There are distinct advantages to small firms doing business electronically with councils, but small firms may be slower to adapt to technical innovation.	
4	Implement the solution that is right for your council. Councils have a variety of drivers which influence procurement. The challenge is to make the process of procuring goods and services consistent, wherever procurement decisions are made within the council. This may also be applicable to the council's procurement partners. Larger councils should look to adopt solutions like e-Marketplaces that can also support their smaller neighbours. This includes awarding framework agreements and contracts that are open to use by all potential users of the e-Marketplace or system.	
5	Use procurement cards appropriately. A procurement card is a tool to purchase low value, low risk goods and services efficiently and cost effectively. Procurement cards may be provided at no cost to the council. The benefits of a properly administered procurement card include: <ul style="list-style-type: none"> • Prompt payment is improved • Reduction in ordering time and simplified process • Faster delivery • Better information • One monthly statement to verify instead of multiple invoices to check • One payment to the bank instead of multiple payments to many suppliers • Staff freed from processing tasks can focus on more important work • Reduced paperwork means lower environmental impact. Proper internal controls are essential as are financial limits. A supplier adoption strategy is also required to promote local acceptance as widely as possible	A few cards already in existence from SDC's Bank – but really just starting to look at schemes.

STIMULATING MARKETS & COMMUNITY BENEFITS – The Building Blocks

	What the Council should be doing – Stimulating Markets	SDC Progress
1	Publish a 'Selling to the Council' guide. Councils should publish guidance on their website for suppliers on how to do business with the council, together with details of forthcoming bidding opportunities and contact details for each contract. Councils should have policies in place for choosing publications in which to advertise to encourage greater diversity and competition. Provision of an information and publicity service, including use of printed material, posters, and development of the council's website is an effective way of communicating with the diverse population living and working in an area.	Starting to build guide on our web site
2	Market the council to suppliers. Increasingly suppliers pick and choose where they bid. Councils need to understand how suppliers view them (including supplier surveys and pre-procurement market sounding) and they need to market the council to suppliers proactively.	Talking to potential suppliers about how contract is framed and marketed
3	Promote a diverse and competitive market. Councils should develop diverse and competitive sources of supply, including procurement from small firms, ethnic minority businesses, social enterprises and voluntary and community organisations	
4	Develop a local compact with the voluntary and community sector. This should include protocols for grant funding and contracts	Local compact has been agreed
5	Sign up to a "concordat" for small and medium sized enterprises in the community. The Steering Group of the Local Government Procurement Forum is taking forward the development of an SME-friendly procurement concordat, with input from the Small Business Service, an executive agency of the DTI. The Forum will agree the terms of the Concordat and encourage councils to sign up.	
6	Develop supply chain partnerships. Councils should work with strategic partners to establish the contribution that small firms, ethnic minority businesses, social enterprise and voluntary and community sector suppliers can play in the supply chain. This should continue to feature as part of contract management.	Just starting in a few contracts
7	Develop suppliers. The market will not always be able to respond to the council's requirements. The council may need to encourage existing suppliers to enter a new market (e.g. by encouraging consortium bids) or develop new suppliers (e.g. by working with the voluntary or community sector). Sometimes there will be a need to attract suppliers from abroad	
8	Use buying power to stimulate innovation. This would include creating markets for recycled materials and better designed learning resources for schools. It would also encompass promoting better designed urban spaces and public buildings through procurement.	
	What the Council should be doing – Community Benefits	SDC Progress
1	Adopt whole life costs and benefits as your contract award criteria. Procurement strategies and contract standing orders should establish "the optimum combination of whole life costs and benefits to meet the customer's requirement" as the best value contract award criteria	Can be included in review of Rules and Regulations
2	Consult staff and build employment considerations into procurement processes and contracts, where relevant to contract. This includes compliance with the 2003 Act (TUPE, pensions), ODPM circular 03/2003 and the associated code of practice.	Already part of Procurement Strategy and BV processes
3	Implement sustainable design and sustainable procurement strategies and build sustainability into procurement processes and contracts, where relevant to contract. Sustainability in design (buildings, infrastructure, urban, green spaces, products) and procurement should be addressed in risk-based strategies that complement the corporate procurement strategy and the community plan. Include environmental requirements in the user needs and specification at the earliest stages of the procurement process	

4	Build diversity and equality considerations into procurement processes and contracts, where relevant to contract. The guidance offered by the CRE in <i>Race Equality and Procurement in Local Government</i> provides a model for all diversity and equality issues even though the statutory basis is not the same.	Only Race equality questions in pre-tender questionnaire currently
5	Invite proposals for the delivery of community benefits. Councils should invite bidders for partnerships to include in their offers optional, priced proposals relating to the delivery of specified community benefits (economic, social and environmental) that are relevant to the contract and that add value to the council's community plan. This might include employment, training and enterprise opportunities in the locality and local multiplier effects. Impacts upon voluntary sector partners and the sustainability and equality issues of the area may also be factored into priced proposals where relevant to the contract.	
6	Build choice into the procurement process so that consumers of public services are increasingly given the options about how and from whom a service is provided such as from a voluntary sector or social enterprise supplier.	