

# PURCHASING P<sup>OW</sup>ER

Issue 16

Spring 2006



[www.norfolk.gov.uk](http://www.norfolk.gov.uk)

## New Year – New Opportunities

Looking back over last year procurement has made some great strides forward. We've had our new strategy endorsed and approved by Cabinet including all the National Procurement Strategy milestones, and departments have been working towards achieving those targets for this year with increased success.

We have more purchasing officers qualified to NVQ 4 achieving the CIPS graduate diploma. We've finished the alternative fuel trial and are soon to publish the final report. Our i-Procurement system is almost fully rolled out and soon all our purchasing transactions will be electronic, and we've made savings on corporate contracts this year of over £1.5m. I'm sure that we've made procurement savings in departments too but we seem to be a little shy about mentioning them!

These are but a few examples of great progress and I'm sure we'll excel ourselves again this year. With the new year comes new opportunities, we make resolutions to get fit, stop smoking or even start saving money for something special.

As this year starts we have new procurement opportunities for Norfolk County Council too.

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## Editorial

Welcome to our first newsletter of 2006.

As usual it is packed with the latest procurement news, hints and money-saving tips and feedback on any of the topics covered will be most welcome.

We will also welcome any ideas for future articles that will benefit our readers. Let us know what you would like more information about and we will do our best to accommodate.

We had a very successful seminar at the end of January, which you can read about on page 3. The next one is already being planned and will be even bigger and better!

This newsletter is also available on the intranet. If you have any interesting articles or news items that could be included in future issues please let us know.

### Editorial Board

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## Contract News

### Removal Services

From 1<sup>st</sup> January 2006 there is a new ESPO contract for Removals Services (49NC). The suppliers are:

- Arrowpak Transport and Warehousing
- Bishops Move Group
- Hadley and Ottaway
- Pickfords Business Moving

Details of the contract are available from the Corporate Procurement Unit on 01603 222820.

### Window Cleaning

A focus group has been formed to look into the possibility of establishing a framework contract for window cleaning services. The membership of the group consists of representatives from Planning and Transportation, Children's Services and Adult Social Services but other members are always welcome. At the moment the group is trying to draw up a draft specification for the contract and estimate the likely value prior to the commencement of the tender process.



If you source window cleaning services and would like some input into the process or the work of the group, please contact Tim Howard in the Corporate Procurement Unit.

### Water Coolers

A new ESPO contract for the supply of bottled and point of use water coolers (988) commenced on 1<sup>st</sup> October 2005. The suppliers are:

- Aquaid UK
- Eden Springs
- Greencare Environmental

Details of the contract will appear in the next issue of Dealing Direct but in the meantime, these can be obtained from CPU. There is more about water coolers in the ESPO News article on page 10.

**Tim Howard** 01603 222820

# New Year – New Opportunities

*Continued from page 1 . . .*

Every year we've struggled with trying to understand our procurement activity by analysing the payment of invoices. Although this has helped us target high expenditure areas we have suffered from a lack of detail, especially about our suppliers.

Of course our new i-Procurement system will give us all this and more once the data has had time to build up but meanwhile we've invested in a clever piece of technology to give us information now.

The information we have not only tells us how much we're spending on what commodities, how many suppliers we are using, how many invoices they send us, but also how many local companies we deal with and what the impact of changing our activity may have on them. This type of sensitivity information will be invaluable as we start to look at possible areas to consolidate expenditure and will guide our strategies for various markets.

The CPU are currently running lots of analysis to see where our greatest opportunities may lie and if we find something in your department we'll be in touch.

Procurement has a unique opportunity to make a major contribution to the Council's efficiency targets that we must make the most of. Having consistently achieved our savings targets so far we're eager to keep up the good record, so we'll be sharing the results among all our departmental procurement colleagues and working together to maximise our efforts and make the most of those new opportunities.



**Jane Waring**  
01603 223395  
Head of Corporate Procurement

## Procurement seminar success!



**CORPORATE PROCUREMENT TEAM**

L-R: TIM HOWARD, STUART HUTCHINSON, LOUISE MIJATOVIC, ANTON BULL, COLIN BOTTJER, ANGIE YEOMANS, MARK FISHER, JANE WARING (HEAD OF CPU) WENDY BAKER, ROBERT DUMOLO AND PHILLIP HUME.

This year saw the Norfolk County Council procurement away day held at Park Farm hotel in Hethersett. This year as always the programme was packed with high quality guest speakers from the Chartered Institute of Purchasing and Supply, the Centre of Excellence East and ESPO.

Subjects covered were continual professional development (CPD), procurement architecture and the national picture, procurement collaboration, corporate and social responsibility, e-procurement and the way ahead.

There was also a small exhibition area with stands from NPS property consultants, ESPO, CIPS and Greencare Environmental.

Delegates agreed this years event was a great success and we are already thinking about an even bigger event next year..





# WEEEeeeeeeeeeeeeeeeeeeeeeeeeeeeeeeeeeeee!!!!!!! .....

This is not a true indication of the feeling that the WEEE Directive generates - rather than a joyful WEEE!, it normally generates a big groan. It is a big headache for industry. However, the EU WEEE Directive is much needed as an attempt to tackle the disposal of Waste Electrical and Electronic Equipment, the WEEE, and reduce harmful hazardous waste going into landfill and encourage more environmentally friendly products and more re-use and recycling.

Everyone who owns computers, games consoles, TVs and other gadgets knows how you accumulate old equipment that needs to be disposed of. How will individuals need to deal with it?

- Can you still take it to your local recycling centre?
- Put it in the bin?
- What do I do at work when I need to dispose of WEEE?
- What equipment does WEEE cover - do I use equipment at work that needs special disposal?

All these questions must run through people's minds.

I cannot answer all these questions in this article. I can only set out the basics and direct you to people who can help. Suffice to say the authority is tackling the need to dispose of WEEE and there will be someone who can guide you.

WEEE covers IT, telecoms, lighting, electrical and electronic tools, household appliances, medical devices, audio visual equipment, domestic equipment like kettles and electronic toys, leisure and sports equipment - in fact anything relatively small and portable with electrical or electronic components.

The WEEE Directive regulates the industry that disposes of this equipment and new licences are coming in for that sort of work but also it will bring in, in late 2006, the requirement for the 'producer' to be responsible for and pay for disposal. 'Producer' in this context is wider than manufacturer - the duty applies also to firms who brand their own equipment or import or export to the EU, despite the equipment being manufactured by someone else. A 'producer' must identify suitable organisations to collect, treat and recycle their WEEE and will need to evidence that they have responsibly disposed of their quota of WEEE each year depending on their sale of EEE. They must supply information to their recyclers where hazardous waste is within their products.



This part of the directive is being implemented later in the UK than first expected because the industry, both the electronic industry and the waste industry are not yet ready. Remember the fridge mountains? The UK is trying to avoid WEEE mountains by getting it right first time.

Many suppliers will join compliance schemes similar to those that sprung up when the Packaging Directive came out - that is, producers will rather pay a consortium to deal with all the regulations on their behalf. The consortium will make economies of scale by dealing with the problem for many suppliers.

Obviously although the producer has the duty to pay, they will pass any additional costs onto the end user. We must consider WEEE when we are setting our contracts - we need a 'cradle to grave' service from our major suppliers and must advise small and medium enterprises what we need from them. It is hoped, however, that additional costs will be mitigated by producers taking a responsible attitude, e.g. by designing their products with recycling in mind, minimising the presence of hazardous materials and maximising materials that can be re-used or recycled. Good suppliers should be able to use this as an opportunity to make their manufacture more effective and not more expensive.



In the longer term, the EU is discussing a Framework Directive for the Eco-Design of Energy Using Products. This should force environmental issues to be considered by all producers.

Purchasers can help in their day to day job by considering disposal carefully and reducing it where possible, e.g. why replace a perfectly good PC monitor etc when all you need is a new box. If suppliers are not offering you a cost-effective way of doing this, perhaps you should be looking for better whole-life value elsewhere. Also consider whether we can re-use kit within the organisation or at least ensure it is re-used to good advantage if possible by our preferred waste operator. Purchasers play a key part in encouraging social responsibility in their suppliers and ensuring that this does not necessarily mean extra costs to the end-user.

Disposal will become an issue that takes some thought, not only at the time but some forethought when the equipment is bought. At the current time, there is not the requirement to dispose of all WEEE other than through the normal channels, although we have our own in-house rules about computer equipment (for a copy contact E-Services) and lamps but in due course there will be separate disposal arrangements required for various sorts of WEEE. Suppliers should offer a one for one disposal of old for new or alternative arrangements.

CPU will be arranging briefing sessions about WEEE and its implications for the Council as soon as Government agrees an implementation date - WOAOO (watch out, authoritative overview in the offing)!



# You need to pause before you sign any contract over £154,000



To comply with a recent judgement by the European Court of Justice (the Alcatel case), we must introduce a standstill period between award decision and contract conclusion. The mandatory standstill period does not apply to procurements below threshold or to procurements outside the full scope of the procurement directives (e.g. Part B services).

The standstill period is to allow courts, where there has been a challenge by unsuccessful bidders, the opportunity to review and set aside award decisions.

**The Government has indicated that an acceptable standstill period is 10 calendar days, allowing for debriefing of unsuccessful bidders and for them to prepare for a challenge.**

The standstill period begins from the communication of the award decision in writing to all tenderers. Notification of the contracting authority's award decision must contain:

- Award criteria
- Where appropriate, the tenderer's score
- Where appropriate, the winning tenderer's score
- The name of the winning tenderer

New debriefing rules include:

- Providing additional debriefing within the standstill if requested by the end of the second working day of the standstill period
- Allowing three working days between this debriefing and the end of the standstill

The standstill will be:

- Extended if necessary, e.g. around public holidays
- Started the day after the award decision is issued and must end on a working day

If there is a legal challenge, authorities should wait to see if interim measures are granted before proceeding to conclude the contract and if interim measures are granted, they should wait until the outcome of legal proceedings before concluding the contract.

Notification to the successful tenderer should inform him that a standstill period is in force and that no contract has been made and that the contract cannot be signed until 10 days have elapsed from the day after despatch of the notification of the award decision.

**As you can see, this is a very important consideration and not allowing a standstill period would open us to what could be considerable damages.**

A new chapter 25 of the Purchasing Guide on 'Awarding the contract and form of contract' will be issued shortly and put on the intranet - look out for it.

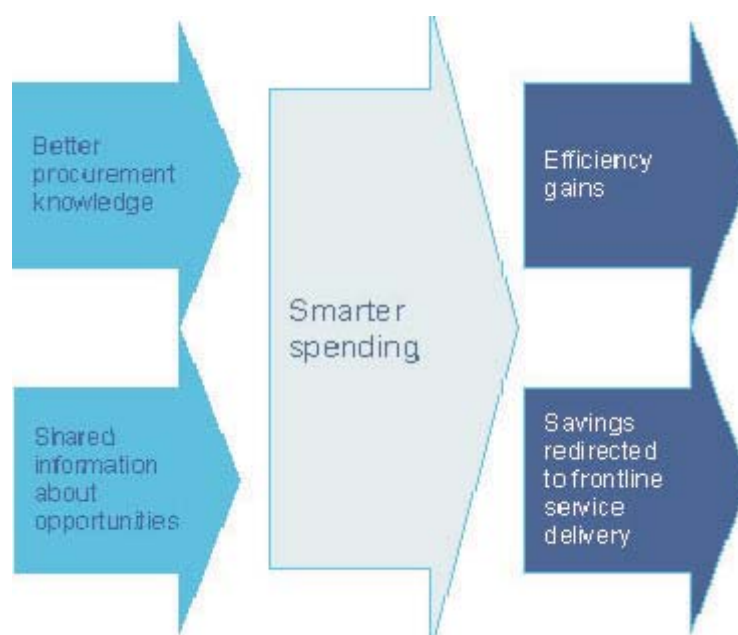
**Wendy Baker**  
01603 223861

# Children's Services

Children's Services Procurement Unit is working closely with the new DfES Centre for Procurement Performance. If any schools or colleagues have information they feel would be helpful to the Centre please contact its Director, Ian Taylor, through the website below or through Maureen Dewath, Departmental Procurement Manager for Children's Services.

## The Centre for Procurement Performance

The Centre for Procurement Performance (CPP) is a new unit established by the Department for Education and Skills. It has been set up to promote better procurement across the education, skills, children and families system. Substantial efficiency savings on procurement will free up resources to improve front-line services. The CPP has a national focus and will work closely with the procurement community and key stakeholders across the system to identify and exploit opportunities to help budget-holders deliver better value for money. Money saved will remain in their budgets.



The CPP wants to increase opportunities for organisations to achieve savings on purchases of services or goods, and encourage co-operation and co-ordination between organisations and sectors. It can help by researching current procurement practice, and identifying where there are opportunities for better deals to be made available. Organisations will be free to exploit these deals to achieve better value for money if they are sufficiently attractive.

Subscribe to the CPP mailing list to be kept up-to-date on CPP progress and informed of activities and opportunities for efficiency gains as they become available. To subscribe, please e-mail the following details to: [CPP.NEWS@dfes.gsi.gov.uk](mailto:CPP.NEWS@dfes.gsi.gov.uk)

- Your name
- Your email address
- Your role/interest (i.e. Head teacher, bursar, supplier, etc)
- The type of organisation: Schools, Local Authority, Children and Families, HE , FE,

Supplier, Other (please specify):

The name of your organisation

More information can be found at CPP's website: [www.dfes.gov.uk/cpp/](http://www.dfes.gov.uk/cpp/)



# Working toward a concordat with SMEs (small and medium enterprises)

The Government believes that doing business with SMEs can create opportunities for improving value for money and efficiency.

Aggregating demand and dealing with large suppliers may not be the answer to delivering best value in some areas of procurement. Before launching into any procurement, thought needs to be given to the best way of procuring that will deliver what the customer needs at the price they can afford.

There are many niche requirements where a SME will add value, e.g. satisfying a particular client group's needs within a bigger contracting exercise. Often SMEs are the experts in what they do and can deliver a far more customised product for us.

SMEs, however, do not find dealing with Councils very user-friendly and they struggle to bring their particular expertise to the proper attention of the Council. To this end the Government wants Councils to sign up to a national SME concordat. Guidance on this may be found at:

[www.odpm.gov.uk/stellent/groups/odpm\\_localgov/documents/downloadable/odpm\\_lcgov\\_035612.pdf](http://www.odpm.gov.uk/stellent/groups/odpm_localgov/documents/downloadable/odpm_lcgov_035612.pdf)

A programme of work has been started by the procurement community to ensure we are dealing with the matters that impact on SMEs. Four teams and an overarching group will be dealing with:

- Access and awareness
- Approved lists and assessment
- Corporate social responsibility
- Simplifying processes and procedures (including e-procurement)

Team leaders, dealing with the matters above, are Colin Bottjer, Wendy Baker, Dominic Allen and Anton Bull respectively.

If you wish to express any views or add to the discussion around these subjects, we would be pleased to hear from you. Here are some of the aspects we will be tackling:

- Have a SME-friendly procurement strategy that sets out the steps we are taking to engage with small and medium-sized enterprises and implement it across the whole authority.
- Advertise lower-value contracts and include information on future contract opportunities as well as a named contact for each advertised contract.
- Using a simplified common core pre-qualification information document for lower-value contracts.
- Ensure that SMEs are able to compete on a fair basis with others.
- Ensure adequate debriefing when SMEs are not successful.
- Publicise the mechanism for SMEs to report non-compliance of our buyers.
- Incentivise our prime public sector contractors to develop opportunities for SMEs.
- Ask prime contractors during the procurement process to demonstrate their track record in achieving value for money through the effective use of their supply chain – including use of small and medium-sized enterprises.
- List details of prime contractors and contracts on our website.
- Ensure that prime contractors pay subcontractors on time and that when paying the payments then flow right down through the supply chain.

We already do some of this but the programme will ensure that all the work is co-ordinated to a successful conclusion so that we could safely sign up to the national SME concordat.



# Money Laundering Concerns?

The concept of “money laundering” is familiar to many of us in part from its origins in days of Al Capone when launderettes were ‘fronts’ for Chicago mobsters. More recently news reports will from time to time mention people being prosecuted for money laundering often as one of several offences typically leading to a sentence behind bars.

Regrettably, associating the issue with images of drugs barons or gunrunners and concluding that it has little if any connection with us is no longer an option. The Proceeds of Crime Act 2002 and the Money Laundering Regulations 2003 have created a regime that has direct relevance to us and certainly merits our attention.

The originating European Directive, the Act and the Regulations have been carefully considered and while it has been concluded they were not conceived with the intention of placing new obligations on local authorities the now accepted position is to operate on a “best practice” basis. It has been widely advised that public sector bodies should embrace the underlying principles behind the money laundering legislation and regulations, and put in place anti-money laundering policies, procedures and reporting arrangements, appropriate and proportionate to their activities. At the County Council the outcome is risk assessment, general awareness training, application of procedures in high-risk areas and the appointment of a Money Laundering Reporting Officer.

Regardless of our position as employees we also should be very alert to the effect of the Proceeds of Crime Act in our personal lives. The Act creates a range of criminal offences arising from dealing with the proceeds of all crime – whatever the amount or nature of the crime in question. Under the Act offences include “*concealing, disguising, converting, transferring or removing criminal property*”, “*acquiring, using or possessing criminal property*” and “*entering into or becoming concerned in an arrangement which (you suspect) facilitates the acquisition, retention,*

*use or control of criminal property*”; these clearly significantly extend the scope of money laundering so that involvement that might be termed the low end of the criminal spectrum could result in a case to answer.

In the field of procurement scenarios which may arise and should cause an officer serious concern could include involvement in a property purchase transaction where there are suspicions that the property is being paid for by criminally gained funds or alternatively where a tender for a County Council contract is explicitly low.



A problem might be identified by critically questioning a procurement transaction.

Ask if:

- The arrangement feels right
- The deal makes sense
- Why large amounts of cash are involved
- What is the actual source of funds
- Who is this new supplier

The conclusion to these and other warning signs may be a suspicion of money laundering. If so the matter should immediately be referred to the Head of Law as the Council’s Money Laundering Reporting Officer. Do not risk the offence of “tipping off” the other party as to what you are doing. Referrals to the MLRO should be in writing giving full details and marked “In Strictest Confidence”. In addition, it may be very helpful to know that an officer may discuss the matter informally with the MLRO.

More generally, in a number of respects this is a complicated issue and Legal Services would be very happy to discuss any question you may have on the subject or provide training. Additional information is also available on our intranet site under the heading Procedures relating to money laundering and proceeds of crime

# ESPO News

## Photocopiers

The end of the financial year is a time when many photocopier contracts come to an end and is subsequently a time when many companies are actively trying to attract new business from establishments across Norfolk. **ESPO** have contracts with 2 suppliers, Danka and Konica Minolta. These suppliers have been through the tender process and can offer contracts fully approved by **ESPO** & Norfolk County Council.



We are aware of a number of suppliers that are active in Norfolk, these include A.S.L Ltd, Canon UK, Copyfax, Copy IT, Danwood, Datasharp, EBS (Eastern Business Systems), Easy Copiers, Photostatic, Norfolk Copiers, & Vision Group but there may well be companies we are not aware of yet. Even if these companies offer machines that are on **ESPO** contract 272D, the contracts from these companies are not approved and have not been checked for terms which may benefit the supplier rather than the user.

To be sure you are getting the best deal with no hidden penalties please ensure you use one of the approved suppliers and if you have an existing contract with a non approved supplier it may be worth talking to **ESPO** to see whether you would benefit changing to an approved contract now.

All advice is free and further assistance is available from the Corporate Procurement Help line on 01603 222820.

## Water coolers

**ESPO** recently re tendered the contract for water coolers, which has exposed all suppliers to competition and ensured that customers across the county are getting the best possible prices. Eden Springs have secured the contract for a further term and a number of suppliers can now offer plumbed in water coolers. Many establishments have looked at this option now for providing water, it is more environmentally friendly, requires less space, no bottles to change and can be provided for less than £15.00 a month which includes all plumbing work, sanitization and filter changes. For further information please contact **ESPO** Norfolk Account Manager Peter Legind on 07787 128778.



## Cheaper phone calls for schools

Many establishments across Norfolk are starting to see significant savings on their phone bills, with one High school recently showing a projected saving of over £3000 during a 12 month period by utilizing the **ESPO** contract with Cable & Wireless.



If you would like to explore the savings available and would like your phone bill compared free of charge please contact **ESPO** Norfolk Account Manager Peter Legind on 07787 128778.

# New printing press for Interprint

**Interprint** has recently taken delivery of a brand new Heidelberg printing press. The press will enable Interprint to increase its print production capacity and help to improve on lead-times. It enables single to four-colour work to be produced on any of the four printing presses that it operates, which in turn gives it greater flexibility in meeting customers requirements.

This investment demonstrates the continued commitment that Interprint has in increasing its ability to improve lead-times and quality. Over the last five years Interprint has been committed to improve its service and to provide all of its customers with a more complete service.



Recent investments include:

- large format folder
- purchase of in-house pre-press facility (platemaking and proofing)
- upgrade of stitching and collating line
- introduction of digital workflows for it's mono and colour copying facilities

INTERPRINT IS PART OF NORFOLK COUNTY SERVICES LTD. — A COMPANY WHOLLY OWNED BY NORFOLK COUNTY COUNCIL.

## **ESPO** News continued

### **Refuse savings**

The **ESPO** contract for refuse collection was awarded to Biffa in January 2005 and many sites have taken the opportunity to cut their existing costs for disposing of rubbish by switching to this new contract and even customers already using Biffa have made savings by ensuring their agreement is aligned to the **ESPO** contract.

Further information can be found in Dealing Direct or by contacting Peter Legind **ESPO** Norfolk Account Manager.

**Peter A J Legind**  
ESPO Norfolk Account Manager  
07787 128778





## Institute recognition for contribution to profession



COLIN BOTTJER

We would like to take this opportunity to congratulate Colin Bottjer who has been selected by the Chartered Institute of Purchasing & Supply to become a fellow of the institute.

This is awarded to existing Members with a record of outstanding achievement and competence in purchasing and supply chain management.

Colin's involvement is on a national basis with the institutes policy advisory network working on various subjects including sustainable procurement and training.

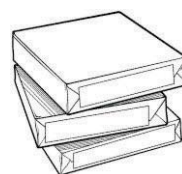
Colin is currently the Education Liaison Officer for CIPS for the East Anglia branch.

## Children's Services Department

### Strategic Core - Environmental Policy

#### Top tips

- Keep a supply of single sided used paper for rough work and for printing those things you want to read but not keep – every box of paper saved reduces costs by around £9.00.
- Keep a supply of “best” used envelopes and some labels handy – every box of A4 envelopes saved reduces costs by around £6.00.
- Switch off your computer and monitor at the end of every day – 16 hours per working day and weekends with the monitor switched off saves 134 kw hours in a year, enough electricity to boil 740 electric kettles.



If you need this newsletter in large print, audio, Braille, alternative format or in a different language, please contact the Department of Finance on 01603 223488 (minicom 223833) and we will do our best to help.

