



# CITY PROCUREMENT STRATEGY

2020-2024

*"The City Procurement Strategy aims to build on the foundations of its predecessor and the achievements made over the last four years. The existing service is to be augmented with a range of value-added services that not only sustain a best in class procurement function but will increase its understanding of customer, corporate and supplier needs by developing our people, stakeholders and services."*

Chris Bell  
Commercial Director

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## 1. Foreword – Maximising opportunity to deliver responsible outcomes

Our City Procurement service plays a vital part in improving how the City of London Corporation and City of London Police buys, pays for and manages the goods, works and services it needs. As we embark on the next phase of continuous development, this refreshed strategy is significant, as it will drive the enhancement of the organisation's commercialism and maximise opportunity, whilst sustaining our core service values.



The impact of our approach will be fundamental due to the challenges the organisation faces at this time. Financial constraints are tightening, and the City Corporation has ambitious plans to maintain London's position as a globally renowned centre for financial and professional services, commerce and culture by developing a range of major capital investments that will enhance the Square Mile's reputation and role.

The need and urgency for securing value for money is therefore significantly increased. City Procurement's ability to contribute to this through enhanced cost assurance, innovative service design, and continuous efficiency gains is vital, as is the commercial ability to launch sustainable income streams. Improving negotiation techniques and supplier relationships will also be crucial if our aims and outcomes are to be achieved.

Enabling the organisation to achieve the real value of efficiency and consolidation whilst acting responsibly at all times could not be more vitally important than now.

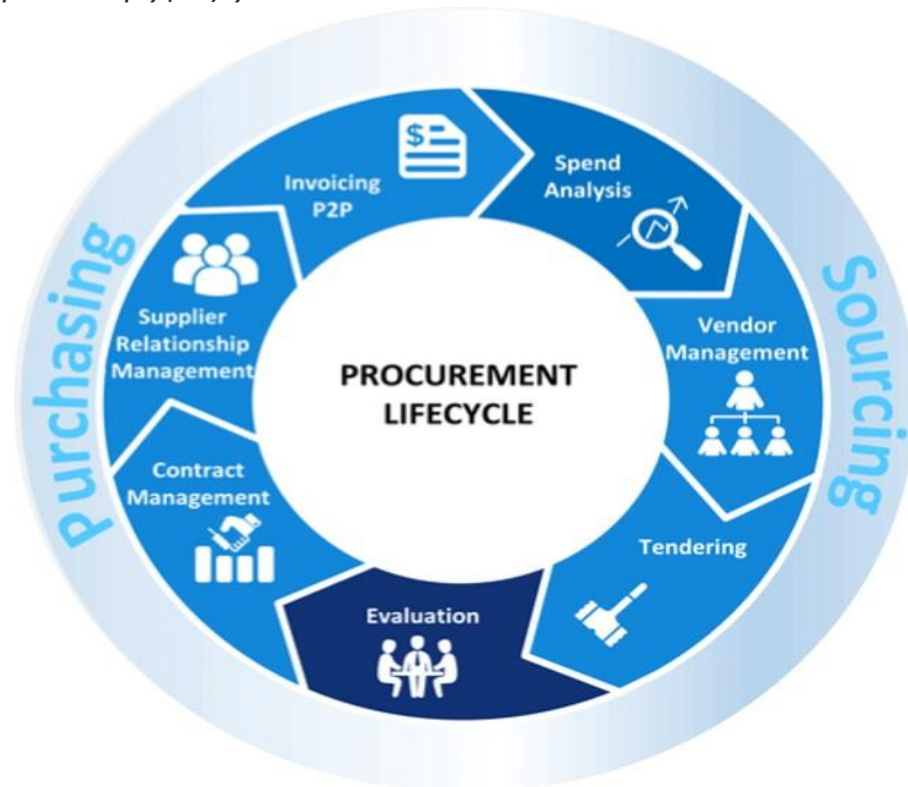
This strategy is built on supporting the outcomes of the City Corporation's Corporate Plan for 2018-2023 and sets our vision to meet the ambitious standards we aim for and the targeted outcomes we expect from the investment in procurement and commercial services during the next four years.

**Dr Peter Kane**  
The Chamberlain

## 2. Our service offerings

City Procurement forms an essential part of the Chamberlain's Department, with responsibility for managing the full purchase to pay (P2P) cycle on behalf of the City Corporation and City of London Police, and Category Management and Sourcing.

*Figure 1 - The purchase to pay (P2P) cycle*



The function is led by the Corporation's Commercial Director who has specialist teams delivering the following service offerings:

1. Procurement Operations
2. Commercial Contract Management
3. Developing Commercialism and Entrepreneurship
4. Accounts Payable
5. Responsible Procurement
6. Policy & Compliance
7. Service Performance Monitoring
8. Purchase Cards

An overview of the roles, responsibilities and aims of each of these service functions can be found at *Appendix C*.

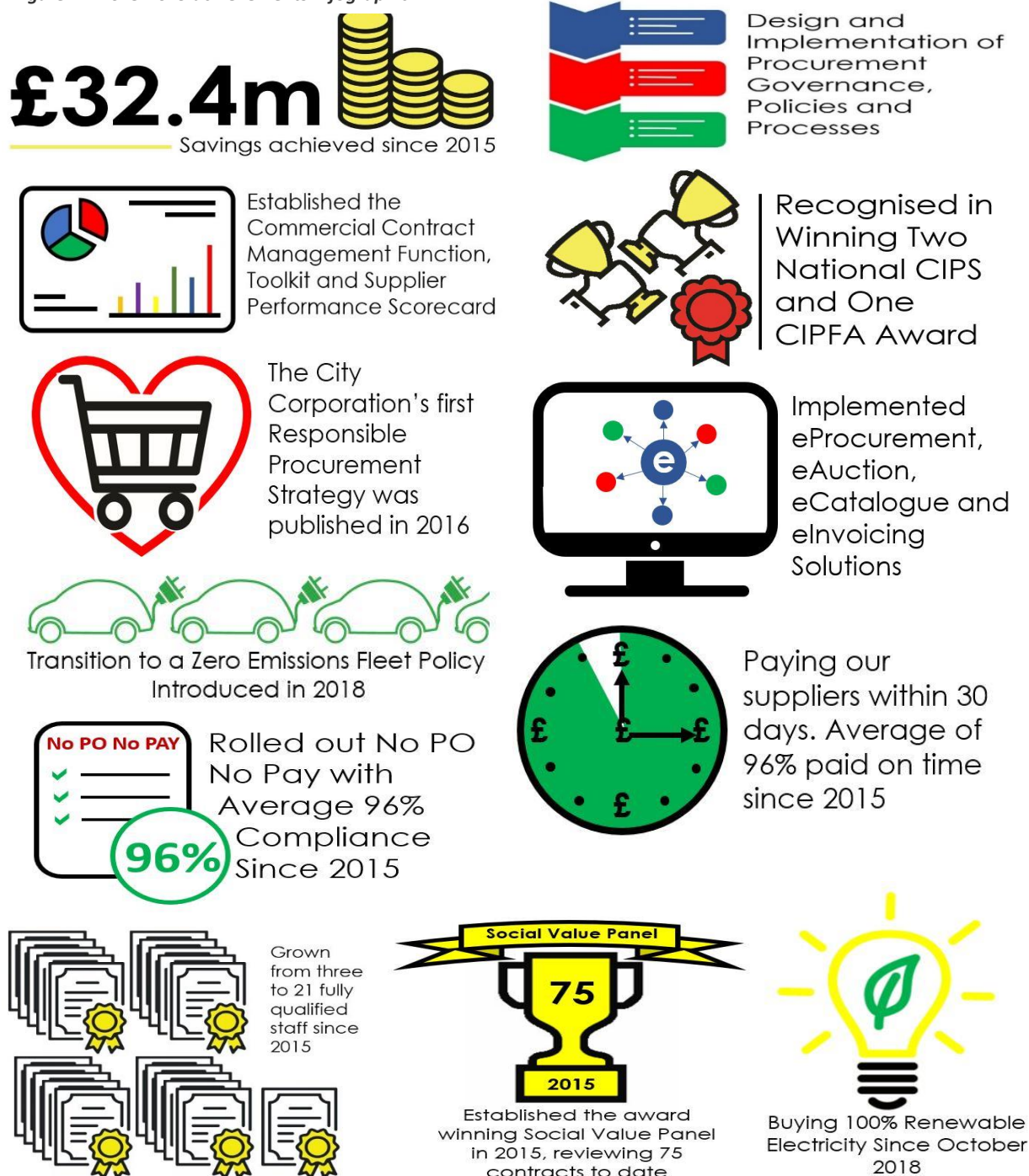


### 3. Achievements and Foundations established since 2015-2019

City Procurement was in a very different position in 2015. Whilst in its infancy, it had a huge range of challenges to overcome in its core service provision. The significant improvements made by the team have become widely recognised, especially in terms of savings, purchase to pay (P2P) efficiency, transparency, resources, embedding social value, influencing wider corporate policy and delivering complex procurement and commercial initiatives.

The journey to get to this state, is summarised in the infographics below, with high achievement being at the centre of the progress made. There is a continued expectation that City Procurement will enhance its service with pace, passion, pride and professionalism in delivering the targeted outcomes of the new strategy.

Figure 2 – 2015-2019 achievements infographic



## 4. Introducing the new City Procurement Strategy 2020-2024

The City Corporation is considering how it continues to improve residents' lives; prioritise demand for public services; find more efficient ways to deliver services; and save money for all members of the community.

These challenges reinforce the need for the City Corporation to be commercial and prudent across all services, including our statutory, commercial, private and charitable services, delivering not only value for money but maximising our assets and services to deliver income that will help minimise the impact on services and offset rising costs. It will also need to deliver on its responsibilities to improve air quality, manage waste, promote social mobility etc. by leveraging the supply chain requirements formulated via our responsible procurement initiatives.

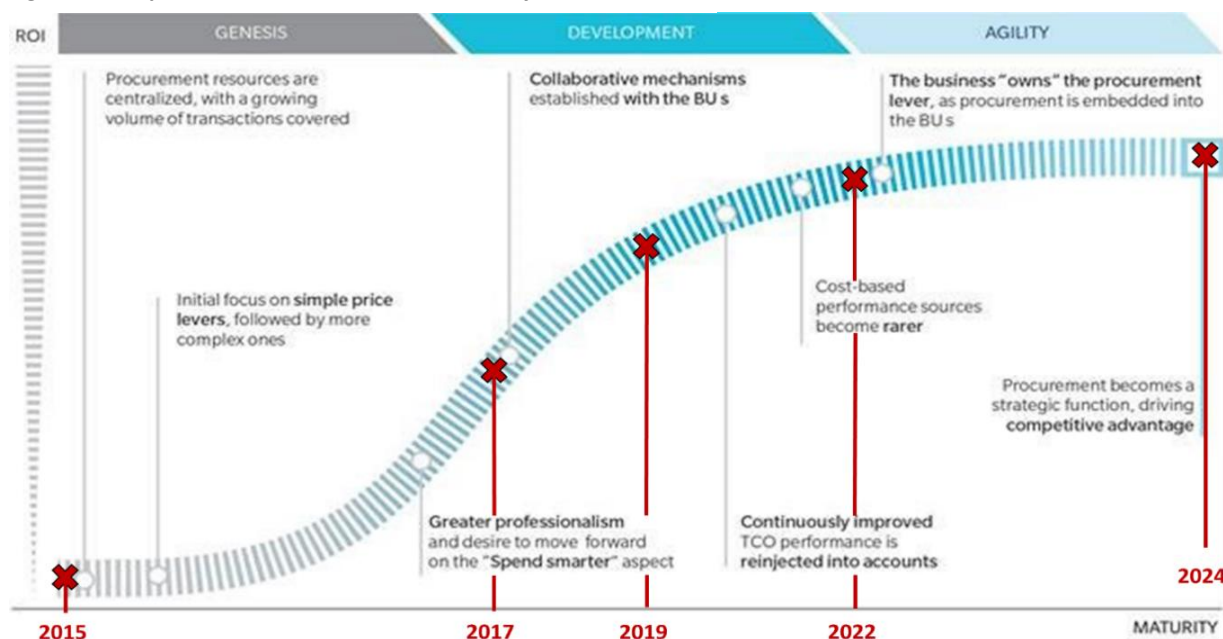
The City Corporation in response to these challenges has embarked on a Fundamental Review in order to:

- align our spending to the outcomes of our Corporate Plan
- strengthen financial discipline at a time of declining resources
- enable us to fund our major projects

This means that our spending and income needs to be carefully considered. The Fundamental Review will enable us to do this with the objective of ensuring that our resources are applied to best effect.

The new City Procurement Strategy aims to build on the foundations of its predecessor and the achievements made over the last four years. The growth in our maturity as a procurement service (as illustrated in figure 1) and our ability to provide advice, solutions and outcomes to the organisation means we will continue to raise our ambitions during the next four years.

*Figure 3 - The procurement and commercial maturity curve*



The existing service, as it matures, is to be augmented with a range of value-added services that will help to ensure the City Corporation will continue on a path to best in class procurement provision. Our targeted outcomes will see us further increase understanding of customer, corporate and supplier needs through developing our people, stakeholders and service features. In doing so, it will maximise opportunities to deliver real outcomes to the strategic, operational and financial health of the City Corporation for the next four years and beyond into the 2030s.

Intelligence tells us Procurement by the end of the decade is nothing like it is today. It will require a different set of skills, a new type of agility and a new mindset regarding what procurement is and how it operates. Data will be central to driving everything we do. Yet Procurement has the potential to create unprecedented competitive

advantage, but only for those organisations that start working towards this new state today. Automation of routine, generic, non-differentiated and non-complex spend will be here and much of the 'buying' will simply take care of itself with the full support and engagement of the wider business through the continued rise of virtual marketplaces and self-service. Framework agreements, catalogue buying, restricted source P-Cards, preferred suppliers and other mechanisms used to drive spend compliance will give way to a new sourcing world where the virtual marketplace will do the work for us and can be accessed and utilised by the entire organisation without concern. Integration with new cloud-based procurement and invoicing platforms using blockchain or distributed ledger to transform supplier payments will automate much of the P2P cycle, with full automation possible as we learn to combine customer demand and market condition data to what we buy and when.

The new City Procurement Strategy 2020-2024 aims to assist the generational move towards the future of procurement by enhancing the skillset, agility and understanding of the workforce whilst training the organisation to become more self-sufficient and leaving the procurement professionals to concentrate on the highly complex and valuable opportunities that arise.

## 5. Our vision

The City of London's procurement activities deliver robust, innovative and responsible outputs that further mature the Corporation's commercial performance.

## 6. Our Targeted Outcomes



<p>Our key people across the organisation are <b>upskilled in Commercialism, contract management and procurement.</b></p> <p>By 2024 we will have a strong sense of commercialism embedded across the organisation. This will be supported by a widespread knowledge of processes, buying channels, and act in line to maximise opportunity whilst respecting compliance.</p>	<p>Sustainable <b>cost assurance</b> is guaranteed for the future.</p> <p>During the next four years, we will improve cost certainty, establish clear mitigations to manage risk and develop partnerships to deliver mutual benefits and lasting results.</p>	<p>Opportunities to leverage <b>responsible outcomes</b> are maximised.</p> <p>We will enhance our strategic and commercial abilities, gain robust market intelligence, integrate spend analytics and establish collaborative buying channels to enhance our decision making.</p>	<p>Our services provide what is <b>needed</b> and are <b>easy to use</b>.</p> <p>We will have an enhanced self-service offering in place for all officers, streamlined and timely processes maximising automation and robotics and a range of digital innovations in place.</p>
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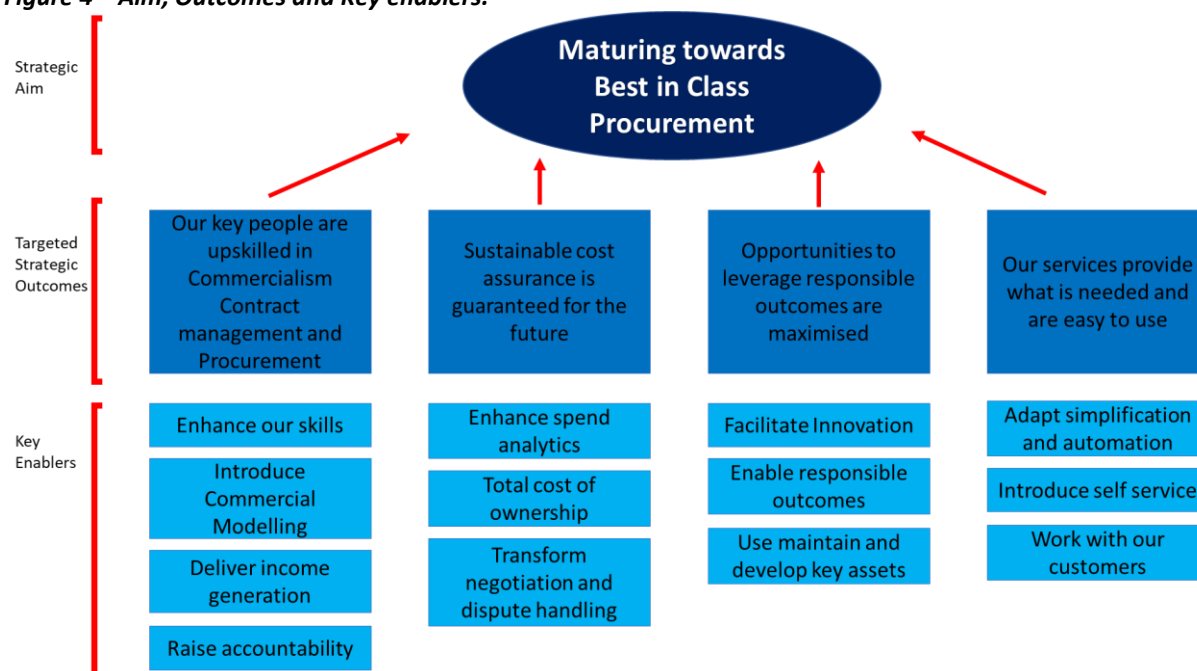
## 7. Our services values



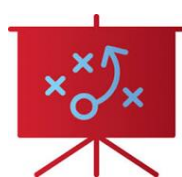
## 8. How we will achieve this strategy?

This strategy will be delivered through key interventions and using existing resources where possible from within the Chamberlain's Department but will require investment across the strategic aims to maximise the impact. There are links to both the forthcoming Digital Services Strategy and Customer Service Strategy which will help to drive the momentum needed to achieve the outcomes of this strategy and deliver the services and infrastructure required to successfully embed them within the organisation. Finally, the Responsible Business Strategy and upcoming Climate Action Strategy will underpin both its operational and strategic trajectory. We will manage the transformation through a high-level action plan (see *Appendices A and B*) and a live continuous improvement roadmap.

**Figure 4 – Aim, Outcomes and Key enablers.**



The following section outlines in more detail the interventions and enablers that are key to the success in delivering the strategic aims.



### 8.1 Our key people across the organisation are upskilled in Commercialism, contract management and procurement.

Reflecting on our Corporate Plan's aim of *being a global hub for innovation in financial and professional services, commerce and culture* and to *having access to the skills and talent we need*, it is vital we enhance the strategic commercial performance of the City Corporation. This aim ranges from



generation of income to maximising the efficiency of our outsourced services, ensuring that value for money is achieved during the operational phase of contracts.

In assuring the organisation is supported in its endeavours it is critical the business has a widespread knowledge of the component parts of a contract lifecycle and the people and skills to maximise our supplier performance.

We will commit to further develop and enhance the organisation's talent and its approach to all future commissioning and procurements ensuring all contracted spend, where appropriate, is strategically managed through its Category Boards. This will see the Organisation work collectively to identify and exploit new commercial opportunities through market shaping and by working with partners to see innovation and knowledge/ information utilisation as a commercial opportunity. This will enable positive financial decisions to occur, including sound choices around return on investments and life cycle costings undertaken through a responsible business lens.

Our top priority interventions to achieve this strategic aim are to:

<b>Enhance our skills</b> <ul style="list-style-type: none"> <li>Investment in our people is key to delivering this aim. We will develop an intensive learning and development programme for staff involved in the day to day delivery of procurement and contract management.</li> <li>Secondly, awareness and enhanced commercial skills are needed more widely across the organisation to deliver on instilling a culture of commercialism. An online academy of courses will be developed to support this aim.</li> </ul>	<b>Introduce new commercial modelling</b> <ul style="list-style-type: none"> <li>Through greater pre-procurement planning, utilising market research, supplier engagement, pre-market testing and collaboration, both internal and external, we will aim to apply new methodologies and commercial models where appropriate in future tenders. This will deliver enhanced value for money and smarter outcomes, giving us a clear breakdown of the component costs of our services.</li> </ul>	<b>Deliver income generation</b> <ul style="list-style-type: none"> <li>The establishment of a new Commercial Board will oversee the qualification, prioritisation, business case development, funding recommendations and return on investment of any potential income generation project. The focus will be on maximising our vast array of assets and skills, our brand and locations and our national and international reach.</li> </ul>
<b>Stakeholder engagement</b> <p>Through our department liaison leads and the creation of a communication plan to build relationships with stakeholders whilst learning more about the operations and objectives of the specific departments. The growth in relationships should see positive benefits for both parties and an improved appreciation of the role and requirements of the parties involved.</p>	<b>Performance reporting</b> <p><i>Use performance reporting</i> positively to continue to drive compliance, as well as the delivery of key performance indicators and responsible targets. Reports will be enhanced to allow a drill-down on the data for departments to locate trends, service issues or inefficiencies affecting service metrics.</p>	<b>Raise awareness and accountability</b> <p>Raise sourcing plan and responsible business awareness and accountability to all involved in procurement projects, to greatly enhance resource planning, ambition, ownership of key tasks and prioritisation when required.</p>



## 8.2 Sustainable cost assurance is guaranteed for the future

Having the ability to plan financially in the medium-term and beyond is critical to the future of the organisation. Underpinning this, and the corporate plan outcome of *businesses are trusted and socially and environmentally responsible*, is our ability to provide assurance that the projected future costs of third-party goods, works and services are as accurate as possible and in line with actual contracted values.

During the next 4 years, we aim to improve our cost certainty, have clear mitigations in place to manage risks and develop partnership style relationships with key suppliers delivering mutual benefits and lasting results.

Enhancing our existing contract performance and supplier relationships is essential to providing assurance and developing a culture of continuous improvement that achieves:

- better value from contracts
- greater control over contract performance
- the appropriate amount of governance to reduce our risk and that of our customers
- strong relationships with our suppliers that build strategic and sustainable partnerships.

Our top priority interventions to achieve this strategic aim are to:

Increase our spend analytics capability	Total Cost of Ownership	Transform negotiation and dispute handling
<p>Developing existing data sets and systems whilst introducing new technology that provides live spend data. This will allow early intervention where needed through proactive monitoring and variance identification, giving greater certainty to our spend management and cost assurance aims.</p> <p>In addition, the introduction of trend monitoring across our key categories and supplier markets will ensure we identify industry innovations, issues and risks that could impact our financial and contractual costs. Such insight will be used to mitigate projected negative cost variances and inform future service cost projections.</p>	<p>Have as a consistent component of all procurement strategies, ensuring all impacts are fully considered and projected in recommended strategies or business cases moving forward. This will inform key decision makers of the implications of options presented, well in advance of committing future specifications or contract terms to the marketplace.</p>	<p>Through the City Procurement Commercial function who will ensure best in class strategic and tactical plans are put in place to produce the best outcomes in each scenario. This planned approach ensures that target outcomes consider operational impact, strategic importance, reputational risk and the value of the change or dispute in hand, prior to embarking in dialogue with the other parties.</p>



### 8.3 Opportunities to leverage responsible outcomes are maximised.

The strategy strives to ensure City Procurement is at the forefront of the corporate aim of *inspiring enterprise, excellence, creativity and collaboration*. We will seek to further enhance our strategic, commercial and service abilities utilising market intelligence, data and knowledge. City Procurement will look to drive thought leadership, service development and proactive collaboration internally and externally to future proof the services procured and ensure responsible outcomes are delivered and flow down our supply chain.

Our top priority interventions to achieve this strategic aim are to:

Facilitate innovation	Enable responsible business outcomes	Use, maintain and develop our key assets
<p>City Procurement will aim to enable innovative solutions in the enhancement of procedures, process automation, service delivery and data analytics. We aim to inform future decisions by ensuring we have up to date market knowledge on services being procured.</p>	<p>By working with every department to help shape procurement activities from the very outset. We will build on our relationships with internal stakeholder and supply chain partners to maximise our opportunity to translate responsible business goals into tangible and significant outcomes in the areas of human rights, air quality, sustainable transport and buildings, carbon reduction and climate resilience.</p>	<p>Whether the asset is people, property, data, brand or place, City Procurement will challenge any procurement or commercial strategy to ensure we utilise our assets for maximum returns, whilst developing appropriate commercial models that fund the maintenance and future development of key assets.</p>



## 8.4 Our services provide what is needed and are easy to use.

With a focus on our service being a *digitally and physically well-connected and responsive* one in line with our corporate plan aims, City Procurement will transform its offering by adopting simplification, automation and digital innovations to support more intuitive and self-service options for all staff.

Introducing streamlined and revised processes in a phased and timely manner, we will focus on maximising automation and robotics where possible, as well as a range of digital innovations that emerge during the next forty-eight months with efficiency and customer service being at the core of our aims.

As well as better use of technology, we will aim to work in a more innovative way to gain greater outputs from daily activities respecting the different operating models across the Corporation's wide portfolio of services.

Our top priority interventions to achieve this strategic aim is to:

Adopt simplification, automation and digital innovations	Introduce self-service	Working with our customers
Underpin all new or proposed improvements to support more intuitive service design and impactful return on investments.	Introduce solutions to the organisation, particularly for instances of high volume, low cost or low risks items that need procured regularly. Continued development of eCatalogues, Corporate Contracts, eAuctions, eInvoicing, Dynamic Purchasing Systems and Corporate Frameworks will be key in delivering this aim.	We commit to working closely with stakeholders to enhance process efficiency and ensure our procedures, policies and the Procurement Code are continually improved to deliver an effective, flexible and fit for purpose service.

## 9. Measuring the success of this strategy

The delivery of actions will be measured by our continued growth in maturity as a procurement organisation. To assist in measuring performance in obtaining this growth the following dashboard will measure key indicators during the four-year period to confirm a positive shift. The dashboard is based on measurements that are standard across the procurement industry and allows us to plot our performance and benchmark against our peers in each discipline and map out how we are maturing with a target of achieving best in class scores by 2024. The current performance will be tracked and recorded as part of the City Procurement Quarterly updates to Procurement Sub and Finance Committees.

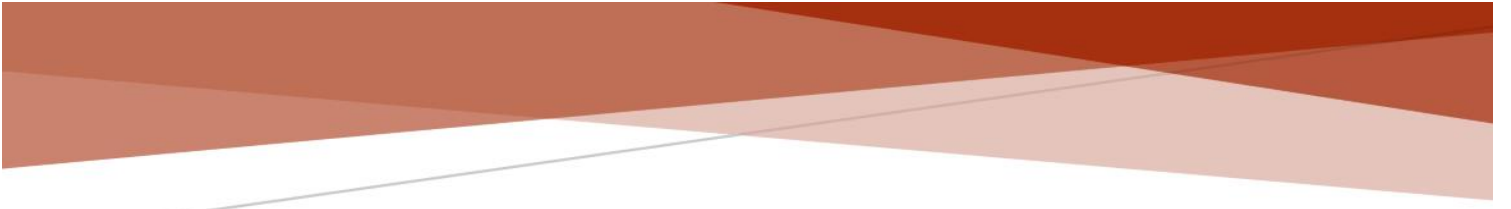
Measurement	Description	Outcome Impact	Target
Procurement operating cost as a percentage of total annual spend. <i>(not inclusive of Accounts Payable)</i>	This will benchmark our operating costs against industry benchmarks	Sustainable cost assurance is guaranteed for the future.	0.8%
Cost reduction savings achieved as a percentage of total annual revenue spend	This will compare our performance against industry peers and give an overlay of our performance above achieving our annual set target	Our key people across the organisation are upskilled in Commercialism, contract management and procurement.	Above 2%

Average PO Processing Cost	This will monitor our process efficiency and also set the bar where purchases should occur on pcards rather than PO.	Our services provide what is needed and are easy to use.	Less than £330 per invoice
Percentage of Active Suppliers Accounting for 80% of total spend	This will ensure our supplier mix is correct allowing maximum impact to be achieved	Opportunities to leverage responsible outcomes are maximised.	Less than 6%
Performance against annual savings target set	This is a progress monitoring measure to ensure expected impact is being achieved against the opportunities per annum	Our key people across the organisation are upskilled in Commercialism, contract management and procurement.	More than 100% of target achieved
Percentage of contracts let with Small and Medium enterprises	This monitors our spread of wealth and ensures we are assisting SMEs and Social Enterprises as a vital make-up of our supply chain.	Opportunities to leverage responsible outcomes are maximised.	25%
Average key suppliers Corporate Supplier Performance Scorecard rating	This aims to ensure our key suppliers are delivering against the original terms of the contract and risks are mitigated.	Sustainable cost assurance is guaranteed for the future.	85%
Percentage of suppliers paid within 30 days	This monitors that our internal processes are working effectively to ensure we are in line with regulatory requirements.	Our services provide what is needed and are easy to use.	96%

## 10. In conclusion

This second-generation Procurement and Commercial strategy's aim are to further enhance the maturity of the service and the impact it delivers to the entire organisation in line with the Corporate plan. The delivery of the interventions and enablers that will take us forward to achieving our targeted outcomes will mark the continuing maturity of City Procurement and will stretch and challenge all involved to continue to develop whilst introducing appropriate technology, automation and self-service offerings to compliment the upskilled resource base we will have in place. The key performance metrics will help to ensure we continue to improve and operate in line with best in class in the industry.
















# APPENDICES

## Appendix A – City Procurement Strategy - Key Projects 2020 Action Plan

Procurement Strategic Outcome	Corporate Plan Outcome	Action	Target Date
Sustainable cost assurance is guaranteed for the future.	Businesses are trusted and socially and environmentally responsible.	Brexit Risk Mitigation Plan	December 2019
Our key people across the organisation are upskilled in Commercialism, contract management and procurement.	A global hub for innovation in financial and professional services, commerce and culture.	Establishment of a Commercial Board	February 2020
Maximise opportunities to leverage responsible outcomes.	<i>Inspiring enterprise, excellence, creativity and collaboration.</i>	Publish a Responsible Procurement Policy	March 2020
<i>Our key people across the organisation are upskilled in Commercialism, contract management and procurement.</i>	<i>A global hub for innovation in financial and professional services, commerce and culture</i>	<i>Devise category strategies</i> that are adopted and maintained regularly via our procurement category boards	April – December 2020
<i>Our services provide what is needed and are easy to use.</i>	Digitally and physically well-connected and responsive.	Review eTendering, eAuction and eInvoicing technology and specify future requirements maximising automation and robotics	July 2020
<i>Our key people across the organisation are upskilled in Commercialism, contract management and procurement.</i>	<i>Access to the skills and talent we need.</i>	Raise organisational awareness and performance/commitment through dedicated Learning and Development	August 2020
<i>Our services provide what is needed and are easy to use.</i>	Digitally and physically well-connected and responsive.	Onboard key suppliers to our corporate eInvoicing platform.	December 2020
Maximise opportunities to leverage responsible outcomes.	<i>Inspiring enterprise, excellence, creativity and collaboration.</i>	Enhance our contract and supplier relationship management	Ongoing
Sustainable cost assurance is guaranteed for the future.	Businesses are trusted and socially and environmentally responsible.	<i>Challenge how to meet need, thinking of utilising the opportunity of technology and supporting communities to meet their own needs where appropriate</i>	Ongoing
<i>Our key people across the organisation are upskilled in Commercialism, contract management and procurement.</i>	<i>Inspiring enterprise, excellence, creativity and collaboration</i>	<i>Utilising and developing our networks to improve collaboration, shared service and efficiency opportunities</i>	Ongoing
<i>Our key people across the organisation are upskilled in Commercialism, contract management and procurement.</i>	<i>A global hub for innovation in financial and professional services, commerce and culture.</i>	<i>Commercial negotiation: strategy planning, identifying opportunities for negotiation and further savings by supporting and guiding officers / departments as appropriate</i>	Ongoing

## Appendix B – Responsible Procurement – Headline Commitments

UN SDGs Sustainable Development Goals	Corporate Plan	Responsible Business	Responsible Procurement Policy 2020 – 2024 commitments City Procurement will support the City Corporation to:	City Procurement Strategy Outcomes:
 <p>Promote sustained, inclusive &amp; sustainable economic growth, full &amp; productive employment and decent work for all</p>	We have access to the skills and talent we need.	Diverse organisations	a. Encourage and facilitate <b>integration of VCSEs, SEs and SMEs</b> within our supply chains	Our key people across the organisation are upskilled.: • <b>Raise awareness and accountability</b>
 <p>Achieve gender equality and empower all women and girls</p>	People have equal opportunities to enrich their lives and reach their full potential.	Engaging our employees	b. Seek to <b>reduce gender pay gaps and under-representation</b> of people with protected characteristics that may exist in contractor workforces as part of supplier evaluation and through awareness raising, communication and transparency of our own performance	Our services provide what is needed and are easy to use. • <b>Process focus groups</b>
 <p>Reduce inequality within and among countries</p>	Communities are cohesive with the facilities they need.	Equal opportunities	c. Work with suppliers who take active steps to <b>embed equality, diversity and inclusion</b>	Our key people across the organisation are upskilled. <b>Performance reporting</b>
 <p>End poverty in all its forms everywhere</p>		Using our convening power	d. Incentivise and <b>facilitate work-related opportunities</b> offered as part of service and works contracts, which are targeted towards those who need them most	Our key people across the organisation are upskilled. <b>Stakeholder engagement</b>
 <p>Ensure healthy lives and promote well-being for all at all ages</p>	People enjoy good health & wellbeing.	Connecting our communities	e. <b>Achieve meaningful social value outcomes</b> according to organisational and stakeholder priorities through internal collaboration, community input and supplier engagement	Opportunities to leverage responsible outcomes are maximised: • <b>Enable Responsible Business outcomes</b>
 <p>Make cities and human settlements inclusive, safe, resilient and sustainable</p>	People are safe and feel safe. Our spaces are secure, resilient and well-maintained.	Promoting human rights	f. Ensure that <b>the Living Wage is paid</b> to staff, apprentices, interns and (sub)contractors	Sustainable cost assurance is guaranteed for the future: • <b>Total cost of ownership</b>
 <p>Take urgent action to combat climate change and its impacts</p>	We have clean air, land and water and a thriving and sustainable natural environment.	Prevent bribery, fraud & corruption	g. <b>Guard against modern slavery, human and labour rights abuses</b> and unfair working practices in high risk supply chains	Opportunities to leverage responsible outcomes are maximised: • <b>Facilitate innovation</b>
 <p>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt &amp; reverse land degradation and halt biodiversity loss</p>	Businesses are trusted and socially and environmentally responsible.	People's wellbeing	h. Ensure that suppliers <b>minimise air and noise pollution</b> associated with our contracts	Our key people across the organisation are upskilled. <b>Enhance our skills</b>
 <p>Ensure sustainable consumption and production patterns</p>		Air quality	i. Procure the vehicles, plant and equipment with <b>the lowest emissions &amp; pollutants possible</b>	Sustainable cost assurance is guaranteed for the future: • <b>Increase our spend analytics</b>
		Leading Responsible Procurement	j. <b>Strengthen road danger reduction</b> requirements within goods, services and works contracts	
		Climate change	k. Achieve best value by assessing goods, services and works designs based on <b>life cycle costing</b>	
		Championing responsible investment	l. Ensure that all procurement related activities are aligned to <b>meet Climate Action targets</b>	
		Biodiversity	m. <b>Procure 100% renewable electricity</b> and continuously <b>reduce carbon intensity of gas &amp; fuel</b>	
		Ensuring transparency	n. Build <b>climate resilience, integrated water management, urban greening and biodiversity</b> requirements into design, construction, public realm & landscape contracts	
		Plastics & packaging	o. <b>Procure low environmental impact goods, services and works</b> ; avoiding pollutants, opting for low embodied carbon & water and maximising recycled and sustainable content	
		Waste	p. Opt for practices that <b>minimise supply chain environmental impacts</b> : sustainable farming, fisheries & forestry; preventing land degradation, contamination, habitat & biodiversity loss.	
			q. <b>Eliminate single use plastics</b> and <b>minimise all waste</b> internally & in supply chain operations	
			r. <b>Manage demand, maximise resource efficiency</b> and <b>support the circular economy</b>	

## Appendix C – The Functions within City Procurement

**Category Management and Sourcing** drive value for money for all strategic purchasing for the City Corporation (above £181k goods/services, £400k works) through our established Category Board governance, with oversight from the Corporation's Procurement Sub-Committee. This will ensure strategic and sustainable contracts are procured in line with the organisation's operational, policy and strategic objectives and are aligned with the Corporate Plan. Our Category Boards are Facilities Services, Digital Services, Construction and Property, Corporate Resources, Land Management and Community and Children's Services.

**Procurement Operations** is the engine room of purchasing, buying a full range of "one off" tactical purchases below the thresholds listed above as well as delivering and managing strategic solutions to low cost, high volume purchases such as e-catalogues, corporate contracts, corporate framework mini-competitions, e-auctions and by accessing dynamic purchasing systems to ensure best value is consistently obtained, regardless of the goods, works or service procured.

**Commercial Contract Management** develops, improves and seeks to embed best practice contract management consistently across our existing contract management provision to deliver greater cost assurance through cost avoidance, supplier performance monitoring, and contract variations oversight. It also leads on commercial disputes and resolution.

**Developing Commercialism and Entrepreneurship** drives best value from our existing contracts, creating ongoing efficiency plans and savings opportunities through negotiation, transformation and change as well as generating, reviewing and developing new income generation opportunities.

**Accounts Payable** manage the supplier database, processing and paying of third-party invoices, and developing and introducing emerging automation and innovative solutions to streamline process efficiency and service our supplier base with a best in class payment offering.

**Responsible Procurement** aligns to our core service value of delivering real value in line with the Corporation's Responsible Business strategy and aims. It is at the heart of all our activity and all Sourcing, Procurement Operations and CCM staff are trained in implementing responsible procurement. This team plays an important role in influencing policy development in collaboration with departments across the City Corporation and ensures all aspects concerning social value, environmental sustainability, and ethical sourcing are built in to the all our contracts in a manner consistent with the level and nature of spend.

**Policy & Compliance** develops and maintains the Corporation's internal procurement regulations, associated guidance and related procurement policies. The team provides guidance and support to the organisation on our Procurement Code, EU/UK procurement regulatory requirements and internal policies. They also monitor in conjunction with Corporate Audit how well the City Corporation is complying with our procurement policies through a variety of compliance checks and reviews providing lessons learned, recommendations, continuous process enhancements and training.

**Service Performance Monitoring** is critical to achieving Operational Excellence and our suite of control tools track savings, spend, compliance, performance statistics and customer satisfaction surveys inform continuous improvements.

**Purchase Cards** management oversees our card holder population, policy and systems that drive an efficient and secure alternative to traditional invoicing methods. The team is responsible for ensuring card security and detecting potential fraudulent or mis-use activities.

