



PROCUREMENT STRATEGY

2023 – 2028

DRAFT

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1. INTRODUCTION & AIMS

1.1 All public procurement¹ is governed by a legal and regulatory regime of responsibilities promoting economic competition, transparency, equal treatment, and non-discrimination. It should, where relevant, have regard for the national procurement priority outcomes.

1.2 This Procurement Strategy aims to deliver these responsibilities by continuing to mature a clear framework for procurement across the organisation whilst also promoting and supporting the council's own Strategic Plan priorities to help realise its vision for the borough. There is also alignment between our strategic priorities and national procurement priority outcomes.

1.3 This strategy applies to all council expenditure on goods, services, works and utilities or the award of a concession. It meets the necessary National Procurement Strategy aims to:

- Show leadership in procurement,
- Behave commercially and;
- Achieve community benefits.

Compliance with this strategy will support our duty to deliver best value for money; particularly where new service delivery models and efficiencies are required.

1.4 All procurement activity must comply with council Financial Procedure Rules, Standing Orders, and relevant and applicable legislation including the Public Contract Regulations 2015 (see Appendix 1 & 2 for links to further information)

1.5 The impact of procurement is far greater than a simple definition of a process. The principles set out in this strategy illustrate the positive effect that compliant and efficient procurement makes to the community we serve, considering the socio-economic issues such as equality and diversity, local economy, community benefit and reducing environmental impacts.

1.6 Procurement represents a significant interface with the economic community on a local, regional, and national level. Effective procurement to support front line service provision is vital in order for the council to meet its strategic objectives. Our vision for procurement is to:

'Continuously improve and adapt how we procure services and goods to meet the changing needs of our customers and our organisation through strong leadership. in cost effective, innovative, responsible, and commercial ways'

¹ the responsible and efficient acquisition of appropriate goods, services, works and utilities providing the best possible value, taking into account quality factors (including environmental) and cost considerations spanning the whole life cycle from identification of the requirement through to the end of useful life.

2. STAKEHOLDERS – who is this strategy for?

- **Elected Members** To understand the priorities and arrangements for procuring goods, services and works. In performing their roles effectively councillors benefit from good procurement and commercial knowledge.
- **Executive Members** Setting strategic and commercial priorities and direction. The portfolio holder for Resources & Performance acts as champion for this strategy
- **Management Team** To ensure procurement and commercial decisions are aligned to corporate and service strategies.
- **Chief Operating Officer** Sponsor for maintaining good governance, and sound risk & project management routines in procurement.
- **Head of Legal & Democratic Services** Lead officer responsible for strategy implementation, management and review and providing legal advice on procurement and contracting.
- **Heads of Service & Officers** (*the 'buyers'*) Implementing the strategy; particularly when delivering major procurement exercises. Complying with regulations and procurement policy guidance (i.e. relating to community benefit, sustainability etc.).
- **Council Partners** Providing guidance and support when procuring on behalf of the Council.
- **The public and external organisations** To understand how the council spends public money.

2.1 We recognise the strategic importance of procurement and will effectively promote and engage with all stakeholders on procurement and commercial issues and priorities, working collaboratively across the organisation, and with stakeholders inc. external partners, on procurement decisions and projects.

3. BACKGROUND

3.1 In 2021 council expenditure on goods, services, works and utilities was £16m (revenue & capital). We use a variety of contracts, from simple purchase orders to long term partnership agreements, and call off contracts from purchasing frameworks.

3.2 This strategy builds on achievements under our previous procurement strategies and plans that have established best practice principles into the organisation through the introduction of:

- Central procurement capacity supporting service units

- Rationalisation of our supplier base
- Introduction of an electronic purchasing system and collaborative procurement with regional & sub-regional partners
- Efficient and cost-effective procurement using framework agreements, e-tendering, and e-purchasing cards.
- Developing appropriate tender specification and evaluation models to procure responsibly (sustainability, social value etc)
- Maintenance of standardised tender and contract documentation, terms and conditions, procedures and guidance

3.3 We have made significant improvements in the way we deliver services using effective procurement, helping contribute to the council vision for the borough; for example, our strategic partnerships with Liberata and Urbaser, contracts for environmental enforcement, the Pioneer Place development partner and the acquisition of Charter Walk Shopping Centre and the procurement of ancillary services.

3.4 The actions and steps required under this strategy are set out in Appendix 1, with links to further guidance and information in Appendix 2.

3.5 Deadlines are not set against these actions. All appropriate governance actions and those to address equality and diversity must be applied in each procurement or tender exercise.

3.6 Actions to address sustainability and social value should be considered and acted upon relative to the requirement and scope of individual procurement or tender exercises.

3.7 In all cases, and after consulting this strategy, if you have any further procurement related questions - in the first instance contact the Governance Manager.

APPENDIX 1. Actions required under this Strategy.

4. THE FOCUS & AIM OF COUNCIL PROCUREMENT

4.1 Our focus and aims are to use procurement to deliver consistently good quality, cost effective services that meet customer and organisational needs.

4.2 We will do this using a mixed economy of service delivery through in-house provision, collaboration with strategic partners and commissioning local and national providers, complying with all appropriate legislation and best practices, and by strengthening organisational procurement skills and capacity. Sections 6 to 12 set out under the relevant topic headings how we will do this.

5. CONTRIBUTION TO STRATEGIC OBJECTIVES AND POLICY

5.1 This strategy has a key role in helping deliver the council's vision and strategic objectives around:

- **PEOPLE** creating flourishing, healthy and confident communities
- **PLACES** making the borough a place of choice
- **PROSPERITY** promoting transformational economic change
- **PERFORMANCE** ensuring a continuous focus on improvement in all aspects of council performance

5.2 Compliance with strategy actions set out in this appendix will help contribute. They will also demonstrate application of the National Procurement Strategy 2022 (NPS) aims:

- **Leadership** recognise & promote procurement, work collaboratively, engage with suppliers & marketplace, simplify procedures & access, remain updated on policy & legislation, and ensure compliance
- **Behaving commercially** using e-procurement and project & risk management routines, maintain contracts register, publish transparency data, apply cost effective controls, engage proactively with the marketplace & stakeholders
- **Achieving community benefits** Remove barriers for SMEs & voluntary sectors, minimise environmental impacts, champion innovation, balance and maximise delivery of social and environmental factors and benefits

5.3 Compliance will also help support the NPS priority outcomes of:

- **Tackling climate change & reducing waste**
- **Helping create new businesses, new jobs, and new skills**

- **Improving supplier diversity, innovation, and resilience**

5.4 And finally demonstrate compliance where required with:

- **Subsidy Control Act 2022**
- **Public Contract Regulations 2015**
- **Public Services (Social Value) Act 2012**
- **Equality Act 2010**
- **Fraud Act 2006**

6. DELIVERING VALUE FOR MONEY (VFM)

6.1 Procurement activity should focus on enabling the achievement of VFM in terms of both quality and cost. Whole life costing methodologies should be used when appropriate i.e., the consideration of the life cycle cost associated with any purchase. VFM is not about simply minimising upfront prices, it is getting the maximum value for every pound spent. **This is how:**

Table 1.

Core Principles for VFM & efficiency - <i>fundamental to how we procure</i>
<ul style="list-style-type: none"> • Ensure procurement opportunities align with council strategic objectives and vision – think how procurement will best achieve that
<ul style="list-style-type: none"> • Maintain consistent approaches and processes to how we procure
<ul style="list-style-type: none"> • Undertake early market engagement where appropriate and commensurate with the identified requirement
<ul style="list-style-type: none"> • Use collaboration & economies of scale to secure favourable pricing/ fees
<ul style="list-style-type: none"> • Develop outcome based tender specifications - specify the outcome NOT the solution
<ul style="list-style-type: none"> • Seek out innovation (new ways of doing things) in how outcomes are delivered - challenge suppliers to be innovative
<ul style="list-style-type: none"> • Consider contract performance standards and penalties where appropriate – hold suppliers to account
<ul style="list-style-type: none"> • Consider open book accounting/ profit share in larger contracts i.e. service outsourcing or strategic delivery partnerships
<ul style="list-style-type: none"> • Take suppliers previous performance into account and use selection questionnaires (where able) - see PPN 04/15 & 08/16. Evaluate reference

<ul style="list-style-type: none"> • Use model terms and conditions of contract
<ul style="list-style-type: none"> • Maintain good contract management/ dialogue/ feedback with suppliers to bring about flexibilities in service delivery and budget reductions
<ul style="list-style-type: none"> • Monitor contract expenditure & volumes etc. and identify savings and efficiency opportunities
<ul style="list-style-type: none"> • Engage proactively with strategic partners to improve performance, reduce costs, manage, and mitigate risks, create innovation, and exploit commercial opportunities including income generation

7. GOVERNANCE & ETHICS STATEMENT

7.1 In all aspects of procurement, we will act with integrity. Our procurement activity must comply with The Public Contract Regulations 2015 (PCRs), and these 'rules' are incorporated into the Council's Financial Procedure Rules (FPRs) and Standing Orders for Contracts (SOC).

7.2 We are also subject to the TUPE Regulations in relation to staff transfers. We will keep up to date and share legislative changes, procurement case law and best practices to maintain our knowledge and skills.

7.3 We ensure that no one individual can authorise all stages of a purchase order or procurement exercise. The authority to raise orders and to tender for contracts is governed by FPRs and SOC and purchasing parameters are implemented through controls in the Civica/ Radius purchasing system. Audit records are kept of all transactions.

7.4 Officer probity and code of conduct requirements are set out in FPRs. SOC set out the appropriate contract value 'thresholds' above which specific steps and tasks are mandated. For example; all tender opportunities valued above £25,000 must be advertised on the Governments' Contracts Finder (CF) portal [LINK](#).

7.5 The Find a Tender (FTS) portal, as well as CF, must be used to advertise contracts valued above the public procurement/ FTS threshold, currently £189,300 for goods & services and £4,733,252 for works. When calculating the estimated contract value, to determine whether the regulations apply, the estimate should be inclusive of VAT.

7.6 The Chest e-procurement portal is used to run tender exercises electronically providing security and efficiency with ease.

7.7 Typically, the greater the procurement complexity, cost and risk, and the more important a project/ programme will be, then the more robust and rigorous a process is required to successfully plan, tender for and manage it.

7.8 The Authority’s procurement processes promote fair and transparent competition, minimise exposure to fraud and collusion by effectively managing commercial risk. It must also consider the UK Subsidy Control rules where appropriate to ensure economic advantage is not conferred on one or more enterprises (see the links in Appendix 2 for further information on this and all our responsibilities).

7.9 Good procurement governance is also supported by building and maintaining capacity. It is essential that officers involved in purchasing and procurement have the skills required to deliver their responsibilities effectively.

7.10 Ethical procurement is about promoting activities that result in economic, social, and environmental benefits for our communities and society as a whole (see sections 9, 10, 11). We also require the highest standards of professional behavior from all employees in their dealings with colleagues, customers, and suppliers.

7.11 We will act with integrity and, wherever possible, openness when we undertake procurement; and our decisions will be communicated clearly. In all of our dealings with our suppliers we will act fairly. We will pay our suppliers promptly, and in accordance with agreed terms.

7.12 Modern slavery is a criminal offence under the Modern Slavery Act 2015 and can occur in various forms, including servitude, forced or compulsory labour and human trafficking. It involves the deprivation of a person’s liberty by another in order to exploit them for personal or commercial gain. The council must act ethically and with integrity with a zero- tolerance approach to these issues.

8. PLAN & DO PROCUREMENT - DELIEVRY OF (*or living*) THE STRATEGY

8.1 Our procurement activity must be efficient, effective and deliver value for money whilst contributing to the council’s vision and strategic priorities. **This is how:**

Table 2.

General Tasks & Principles - to apply when planning a procurement
<ul style="list-style-type: none"> • Minimise administrative processes and unnecessary bureaucracy
<ul style="list-style-type: none"> • Ensure routine purchasing transactions are efficient and timely
<ul style="list-style-type: none"> • Consider all options to obtain the most appropriate outcomes
<ul style="list-style-type: none"> • Challenge the status quo, identify & develop new service delivery models in response to our needs
<ul style="list-style-type: none"> • Ensure that the procurement route chosen is on the basis of the degree to which it fulfils the Council’s strategic objectives and service needs

<ul style="list-style-type: none"> • Seek to optimise service delivery to customers with additional benefits
<ul style="list-style-type: none"> • Require innovation from suppliers through creativity in tender specification and evaluation models
<ul style="list-style-type: none"> • Follow project & risk management routines and complete community impact assessments as appropriate to deliver effective tender/ contract management, risk mitigation, manage delivery of priority outcomes, competitiveness and cost effective cost controls during the full contract life
<ul style="list-style-type: none"> • Use competition to drive and obtain VFM & seek innovation
<ul style="list-style-type: none"> • Pragmatically evaluate contract/ tender cost versus community benefit
<ul style="list-style-type: none"> • Require & task suppliers to work with us to reduce costs over the contract life cycle
<ul style="list-style-type: none"> • Develop competitive markets where they do not exist
<ul style="list-style-type: none"> • Call off from established framework agreements and use collaborative opportunities where they offer best value, efficiencies, reduced timescales and minimise duplication

9. SUSTAINABLE PROCUREMENT

9.1 Sustainable procurement is not simply about purchasing environmentally friendly products. It is an approach whereby organisations routinely meet their needs for goods, services, works and utilities in a way that achieves VFM on a whole life basis - in terms of generating societal and economic benefits, whilst removing or minimising damage to the environment.

9.2 In 2019 the council declared a climate emergency. Through its Climate Change Strategy, it recognises and seeks to urgently address sustainability and climate change issues in its plans and strategies (in its operations) by ensuring it is doing everything practically possible to limit its contribution to global climate change and adapt to its effects. This Procurement Strategy has a vital role to play in the council's commitment.

9.3 The principles of innovation, waste reduction, re-cycling and the use of environmentally acceptable alternatives must be at the forefront of our thinking when specifying new goods, service, works or utilities or when re-procuring existing arrangements.

9.4 We will also ensure that procurement activities comply with sustainable development principles and promote practices that will contribute to positively addressing climate change, **this is how:**

Table 3.

<p>Communicate - raise organisational awareness on sustainability</p>
<ul style="list-style-type: none"> • Communicate the Procurement Strategy to all staff and councillors • Educate and encourage council 'buyers' to review procurement practices (particularly consumable products) aiming to reduced unnecessary use and adopt alternative and more sustainable products • Minimise wastage by encouraging staff to consider whether a product or service is required before its purchased or renewed
<p>Policy and strategy principles – general principles to apply when procuring</p>
<ul style="list-style-type: none"> • Specify, wherever possible, practicable and beneficial the use of sustainable products and alternatives • Seek to increase the proportion of renewable energy procured • Where possible incorporate new energy technologies into projects • Seek to replace the council fleet with electric vehicles and machinery with electric alternatives where possible • Utilise more renewable, recycled and low embodied energy products and materials and limit waste going to landfill • Use the least environmentally damaging goods and services • Using whole life cost approaches when specifying and managing contracts
<p>Procurement process – how we procure in a sustainable way</p>
<ul style="list-style-type: none"> • Use environmental selection criteria in the evaluation and award of contracts - challenge suppliers to be innovative • Evaluate whole life costs inc. maintenance, re-use and disposal etc. • As appropriate (practical & legally) require and evaluate suppliers' environmental credentials • Require suppliers to submit offers for sustainable products or utilise renewable or recycled materials in their production. • Consider evaluating reduction of CO2 and greenhouse gases emissions in products and the supply chain (production operations, transport etc.) • Address barriers to entry in order that SME, local suppliers and the third sector are encouraged to bid for opportunities • Require a carbon reduction statement from suppliers in all tenders for works above £5,000 value • Include a condition of lease for retail outlets on council sites for use of biodegradable containers and cutlery etc.
<p>Engaging suppliers & marketplace – collaborating to improve sustainability</p>

- Educate suppliers on our sustainability & climate change strategy and objectives
- Actively encourage local suppliers, SMEs, and the voluntary sector to bid for appropriate contracts
- Influence suppliers to adopt and embed practices that minimise their environmental impact and deliver community benefits in relation to supply of products, their own operations and supply chains

10. CREATING SOCIAL VALUE & THE LOCAL ECONOMY

10.1 There is a mandatory requirement for all councils to comply with the Social Value Act 2012. Social Value (SV) is about improving economic, social and environmental wellbeing from public sector contracts over and above the delivery of the services directly required with no or little extra cost.

10.2 Public procurement should be leveraged to support both local and national (SV) priorities for the benefit of the local community and wider public. The council must have regard through its procurement activity, where it is relevant to the subject matter of a contract and it is proportionate to do so, to national priority outcomes alongside local strategic priorities.

10.3 In a local context SV can be delivered as an example through the following activities:

- **Social** - community volunteering opportunities, supporting disadvantaged individuals and minority groups, hosting events
- **Economic** – creating new jobs employing local people, creating apprenticeships, work placements, purchasing from local suppliers/ marketplace, providing mentoring and career advice
- **Environmental** - reducing energy and utility use and reducing carbon emissions, using sustainable or recycled materials and products, supporting or delivering improvements to public spaces

10.4 As a starting point when planning a procurement exercise we should consider the points in 10.3 above and ask ourselves the questions below; building into our tender specification and evaluation such requirements or actions that would deliver SV.

1. What is important to our local communities?
2. How can we deliver services differently in a way that will impact positively on the local community and the environment?
3. How can we support local businesses?
4. How can we work better together to engage hard to reach groups?
5. Are there local issues that could be better resolved by working together with our communities?

To provide social value, where appropriate we will:

Table 4.

<ul style="list-style-type: none"> • Apply the national themes, outputs and measures (TOMs) from the National Social Value Portal, as the basis for creating social value through procurement LINK
<ul style="list-style-type: none"> • Use criteria involving SV considerations as part of tender evaluation – challenge suppliers to be innovative in delivering added community benefits.
<ul style="list-style-type: none"> • Maximise local employment opportunities
<ul style="list-style-type: none"> • Help raise skills in the local workforce/ communities
<ul style="list-style-type: none"> • Influence suppliers to pay the Foundation Living Wage as a minimum
<ul style="list-style-type: none"> • Make tender opportunities accessible and attractive (without directly favouring them) to local SMEs & the voluntary and faith sectors
<ul style="list-style-type: none"> • Remove barriers - engage with the local marketplace to promote understanding of our procurement processes, support and train them in how to comply with council tendering requirements
<ul style="list-style-type: none"> • Engage with local suppliers, partners and communities to access diverse groups or individuals, including those that are vulnerable and traditionally hard to reach to understand what benefits could be offered and what skills are available to us
<ul style="list-style-type: none"> • Develop and consult upon an annual/ bi-annual social value outcome update for councillors

11. EQUALITY & DIVERSITY

11.1 We have a mandatory legal duty through the 2010 Equality Act to actively tackle discrimination and promote equality and diversity through equality of opportunity, good relations and positive attitudes; and eliminating harassment and unlawful discrimination. We will ensure that the promotion of equality of opportunity is incorporated into our evaluation and decision-making processes.

11.2 Continuing to promote equality and diversity throughout the procurement process and supply chain is an essential activity for us. Combined with all the actions set out above it will maintain and strengthen not only the council as a responsible procurer, but also maintain a positive reputation for the council through its actions. **This is how:**

Table 5.

By evidencing in all procurement decisions and tender exercises that we always have been: <ul style="list-style-type: none">• Fair• Transparent• Honest• Impartial• Objective• Acting with integrity
By ensuring that we and our suppliers and supply chain consider, follow best practices, and adhere to the principles of no discrimination in regard to: <ul style="list-style-type: none">• Age• Disability• Gender reassignment• Marriage and civil partnership• Pregnancy and maternity• Race• Religion or belief• Sex or sexual orientation

12. REVIEW - IMPACTS AND BENEFITS REALISATION

12.1 The successful delivery of this Procurement Strategy will be supported through the pragmatic application of the actions, programme & project management skills and tools across the Council as set out above.

12.2 Through evaluation of expected outcomes, we can learn the lessons on what we might need to do to improve; and what aspects we might wish to redeploy in future procurement exercises. It is important that we can identify clear impacts and the resulting procurement benefits. **This is how:**

Table 6.

REVIEW ACTIONS - learn from experience, continually monitor and implement new legislation and guidance, minimize any gaps between established and emerging best practices
<ul style="list-style-type: none">• Routinely carry out post tender award reviews 'wash ups' to capture lessons learnt - what went well, and what we can be improved upon

<ul style="list-style-type: none"> • Further develop and maintain the council contracts register as a central repository to inform procurement plans and support transparency
<ul style="list-style-type: none"> • Undertake procurement and key contract spend analysis to inform contract management routines and future procurements
<ul style="list-style-type: none"> • Develop and monitor performance measures and benefits tracking
<ul style="list-style-type: none"> • Carry out benchmarking - ensure new there are no technology 'lags' in how we procure or where service or product offers, and cost models evolve
<ul style="list-style-type: none"> • Implement an annual procurement project plan – to ensure procurement is concurrent with contract end dates
<ul style="list-style-type: none"> • Apply NPS 2022 'toolkit' to test council maturity levels in key areas and to assess progress against objectives – update or amend strategy and plans accordingly
<ul style="list-style-type: none"> • Maintain procurement networks – continue to share and learn best practices from across all service units and with partners
<ul style="list-style-type: none"> • Undertake staff procurement skills assessments to inform training plans

Appendix 2. References and Guidance links

The most useful link will be that to Standing Orders for Contracts; this is the starting point on what you need to do when procuring. The other links will be useful dependent upon what your procurement need is. Contact the Governance Manager where you have any further questions. Thank you.

Procurement Legislation

- **Public Contract Regulations 2015** (PCRs). Procurement law! [LINK](#)
- **Procurement Policy Notes**. Best practice for public sector procurement, regularly updated [LINK](#)
- **National Procurement Strategy 2022** (NPC) [LINK](#)
- **National Procurement Strategy Toolkit**. Support in setting procurement maturity objectives and progress. [LINK](#)
- **Utilities Contracts Regulations 2016** [LINK](#)
- **Concession Contracts Regulations 2016** [LINK](#)
- **HM Treasury Green Book 2022**. Guidance on appraisal and evaluation. [LINK](#)

Council Guidance

Setting out our obligations, reflecting legislation and governance requirements.

- **Council Financial Procedure Rules (FPRs)**. Setting out council financial governance procedures. [LINK](#)
- **Standing Orders for Contracts (SOC)**. Setting out council procurement procedures in line with PCRs and FPRs. [LINK](#)
- **How to Tender Guidance**. Council 'route map' from identifying a need to successfully procuring it. [LINK](#)

Relevant Supporting Legislation

- **Subsidy Control Act 2022** [LINK](#). Useful guidance [LINK](#)
- **Modern Slavery Act (2015)** Section 54 [LINK](#)
- **The Transparency Regulations 2015** [LINK](#). Useful guidance [LINK](#)
- **Public Services (Social Value) Act 2012** [LINK](#)
- **Equality Act 2010** (General Equality Duty) [LINK](#)
- **Transfer of Undertakings (Protection of Employment) Regulation 2006** (TUPE). When staff transfer from one provider to another under a procurement exercise. [LINK](#)
- **Local Government Act 2003** Best Value Duty [LINK](#)

Sustainability

- **Sustainable Procurement Guidance** [LINK](#)
- **BREEAM** Construction Standards. [LINK](#)