

Corporate Procurement Strategy

2021 - 2025

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1. Introduction

1.1 Definition

Procurement is the process of securing the works, goods and services that the council requires in order to carry out its duties; ranging from day-to-day consumables and equipment, letting of service contracts, the engagement of agencies and consultancies, to the provision of services.

In summary, procurement is *“the whole process of acquisition of goods, services and works, from the initial assessment of business need through to the end of life of the asset or service”*.

1.2 Purpose

It is vital that the council has a clear corporate procurement strategy to help ensure that:

- It obtains best value.
- Its procurement choices reflect corporate objectives.
- It continuously improves the quality and cost-effectiveness of service provision.
- Its approach to procurement is consistent.
- Resources are used effectively.
- Staff procurement skills are developed, shared and used effectively, and
- Procurement rules are complied with.

The council is constantly seeking innovative ways of working and as our corporate approach to procurement continues to develop, the strategy will capture the most appropriate elements of best practice, whilst remaining sufficiently flexible to respond to the rapidly changing procurement environment.

This strategy is aimed at promoting effective procurement across the whole organisation and should be read in conjunction with the council’s contract procedure rules and financial procedure rules.

1.3 Aims and objectives

The overarching aim of this strategy is to ensure our procurement activities are undertaken efficiently, legally and ethically whilst, where possible, contributing to or improving the economic, social and environmental well-being of the borough.

The council’s intention is to procure goods, services and works to deliver consistently high quality services that meet service needs and which are fit for purpose, have an optimum lifetime cost, use processes which are economic and efficient and which contribute to the council’s corporate objectives.

The procurement strategy is therefore aligned with the Council Plan, as well as other corporate strategies and plans, which encompass the core principles of:

- Finances and resources
- Economic Growth.
- Housing and communities
- Customer first
- Garden communities
- Sustainable environment

2. Procurement at the council

2.1 Governance, structure and responsibilities

The officer with overall responsibility for procurement at the council is the Head of Finance and Asset Management; a member of the Executive Committee has portfolio responsibility for finance, which includes procurement.

It is expected that all Heads of Service and operational managers will promote the implementation of the procurement strategy within their own service areas.

Procurement at the council is undertaken by the budget holder concerned, in accordance with the council's scheme of delegation, and advice is provided by the procurement advisor, One Legal and the Performance and Audit team.

The highest standards of conduct must be observed by members and officers engaged in procurement of any type on behalf of the council. In all their dealings they must preserve the highest standards of honesty, integrity, impartiality and objectivity and comply with the council's relevant rules and procedures and applicable codes of conduct.

2.2 Controls and standards

The council continually reviews and updates its procurement toolkit and model contract documentation to ensure a corporate approach to procurement and compliance with the strategy is achieved. The council also maintains and publishes corporate and departmental contract registers to enable regular monitoring.

2.3 Countering fraud

The council is committed to countering fraud and corruption and officers who procure goods, works and services must be fully aware of the rules and procedures that support this aim. Counter fraud and corruption arrangements should be the consequence of effective business systems, practices and control arrangements, specifically the:

- Contract procedure rules.
- Financial procedure rules.
- Employee code of conduct, and
- The anti-fraud and corruption strategy.

2.4 Management of risk

All staff involved in procurement must attend regular training and development updates, assess the risk involved and plan, monitor and control the actions that will address these identified risks and potential problems. The risks when procuring, for example; failure to evaluate fairly, failure to receive value for money, viability of suppliers, failure of the supply chain and fraud and corruption, are key considerations and an integral part of the procurement process, supporting the strategy to achieve its stated objectives.

2.5 Development plan

The development plan appended to this strategy details the programme of actions that will be undertaken to strengthen the council's procurement activities.

2.6 Budget savings

An objective of the strategy is to deliver savings wherever possible through procurement. The council will work to deliver savings, using best practice while ensuring its procurement is sustainable and effective.

2.7 The Procurement Landscape

Public procurement operates in a highly regulated environment that is governed by legislation, policies and guidance set by the UK Government, through case law, and locally by the Council's Constitution (specifically Contract Rules and Finance Rules). In addition to legislation, the Council is also required to fulfil other obligations placed upon it such as the Local Government Transparency Code 2015 and the Public Services (Social Value) Act 2012. New procurement legislation is expected in 2023 as a result of the UK's withdrawal from the European Union in 2020.

3. Corporate social responsibility

Through this procurement strategy and the procurement toolkit, the council must satisfy the aspirations of all stakeholders. These include customers, suppliers, employees, the local community, government bodies, partners and environment groups.

To satisfy this scrutiny, the council aims to demonstrate its corporate social responsibility through procurement. Under the Public Services (Social Value) Act 2012, public bodies in England and Wales are required to consider how the services they commission and procure might improve the economic, social and environmental well-being of the area.

It's important to recognise that corporate social responsibility embraces a number of distinct areas and how this can be demonstrated will vary according to what it is that is being procured.

3.1 Sustainability

The National Procurement Strategy states that every council should build sustainability into its procurement strategy, processes and contracts. The council aims to integrate sustainability into all of its future contracts and to continuously improve the sustainability performance of its activities by:

- Ensuring that sustainability forms part of the decision making process in procurement.
- Wherever possible, procuring from sustainable sources.
- Aiming to achieve value for money on a whole life basis.
- Working in partnership with other public bodies to maximise sustainable procurement gains.

3.2 Environmental responsibility

The council recognises the need to carry out procurement activities in an environmentally responsible manner and is committed to ensuring that services are delivered in a way that protects the quality of the environment and minimises any adverse impact on community well-being. To achieve this, the council will, where appropriate:

- Comply with all relevant environmental legislation.
- Ensure that suppliers' environmental policies are considered during the tender evaluation process and that appropriate environmental criteria are used in the award of contracts, where relevant.
- Ensure that proper consideration is given to the viability of environmentally friendly alternatives.
- Reduce the purchase of new products by re-using, repairing or refurbishing existing products wherever possible.
- Assess the potential environmental risk when procuring.
- Consider the whole life cost of goods including operational, maintenance and disposal costs.
- Apply procedures for the proper management and disposal of assets.

Where appropriate, the council will require its suppliers and its subcontractors to comply with Environmental Protection legislation.

3.3 Equalities

The council has a duty to eliminate unlawful discrimination and is committed to promoting equality of opportunity. This duty applies to procurement and the council will ensure that when tendering contracts and services that either a business has its own equality and diversity policy which complies with legislation or that it commits to adhere to the council's Equality and Diversity Policy

As required by legislation, the council will ensure its services are equally accessible and appropriate to the borough. It will not discriminate on the grounds of age, colour, disability, ethnic origin, gender, sexuality or any other unjustifiable grounds.

The council will ensure that all procurement activities undertaken are compliant with equalities legislation and, where appropriate, will:

- Undertake an equalities impact assessment at the earliest stages of the procurement lifecycle.
- Require that companies provide details of their equal opportunities policies as part of the procurement process.
- Ensure the procurement process is conducted in a manner which ensures equal treatment of all bidders/tenderers.
- Ensure that all organisations have equal access to procurement opportunities with the council, and
- Balance the cost to the environment and local businesses with issues of equality and competitiveness.

3.4 Health and safety

The council has a statutory duty with regard to the health and safety of its employees and others who may be affected by its activities, regardless of whether the service is contracted out or not. The council will therefore clearly specify its requirements for health and safety and make health and safety a key condition in the selection of suppliers.

It is important to recognise that the amount of health and safety information required will vary according to what it is that is being procured.

3.5 Ethics, code of conduct and human rights

For intermediate and high value procurement, the council expects ethical standards from suppliers and, where possible, will use suppliers that can demonstrate fair-trade and ethical trading of their business.

The council aims to ensure that the highest standards of conduct are observed by members and officers engaged in procurement of any type on behalf of the council.

In all their dealings council employees must preserve the highest standards of honesty, integrity, impartiality and objectivity and comply with the council's constitution, financial and contract procedure rules and applicable codes of conduct.

3.6 Community involvement, economic development and competition

The purpose of the Public Services (Social Value) Act 2012 is to assist authorities to improve the economic, social and well-being of its area through procurement. Although the act applies to service contracts (and those that have an element of goods and works), and not goods or works contracts, the council will endeavour to promote social values in council contracts.

As part of its endeavour to promote social values, the council will enable smaller organisations to compete for the supply of goods and services, the council aims to keep its procurement processes as simple as possible and will:

- Publish details of forthcoming bidding opportunities
- Publish details of all council contracts
- Invite local companies to register an expression of interest in supplying certain services to the council, and
- Support businesses by way of explaining requirements and opportunities.

In this regard, the council will comply with anti-competition legislation and no supplier will be given an unfair advantage.

It is vital that there is transparency in the process of obtaining quotes, inviting tenders and awarding contracts. The council will conduct all procurement activity in a manner that is open and fair.

3.7 Community Right to Challenge

The Localism Act 2011 sets out the framework for Community Right to Challenge, which came into force on 27 June 2012. The right enables voluntary agencies, community groups, charities, Parish and Town Councils and groups of two or more employees to express an interest in delivering relevant services on behalf of relevant authorities, and requires the authority to undertake a procurement exercise for that service.

The council, as a relevant authority, must consider any expression of interest received and either accept, accept with modification or decline it, in accordance with statutory guidance. The council will therefore consider each challenge and a case by case basis inline with the statutory guidance.

Through new mechanisms such as the Community Right to Challenge, communities have more opportunities to take over activities and to influence how services are provided

4. Value for money

The council is committed to achieving value for money and has a continuing obligation to demonstrate economy, efficiency, effectiveness of service delivery and that what it procures is the most economically advantageous option. Obtaining value for money does not mean that the council is obliged to accept the lowest price.

It is essential that the council not only adopts processes to secure best value, but can evidence the efficiencies obtained.

In order to achieve value for money the council aims to:

- Minimise administrative processes and unnecessary bureaucracy.
- Treat each procurement activity as an opportunity to achieve best value.
- Utilise collective buying power where appropriate.
- Use competition where appropriate.
- Balance quality, cost and benefit criteria.
- Consider all options in obtaining the most appropriate solution, and

Build continuous improvement and annual efficiency requirements into contracts.

5. Climate Change emergency

The council has committed to the climate change emergency with a motion to achieve carbon neutrality by 2030. The procurement strategy will underpin the Council's climate emergency activities by working with partners, communities, external partners and supply chains ensuring the provision of carbon emission data, renewable energy, waste management strategies and climate enhancement initiatives via service providers.

6. Partnering and collaboration

5.1 Working in partnership

Partnership working has developed over the period of the previous strategy with the council now benefiting from a range of shared services and partnering arrangements.

The council is committed to exploring all options in order to provide the quality services required now and in the future, and partnering will be considered when engaging in reviews of services as a potential alternative to established methods of service delivery. The council will continue to work in partnership, provided there is a business case, in order to:

- Share best practice
- Share scarce resources and skills
- Provide training to staff
- Promote collaborative procurement where this could lead to improved value for money, and
- Gather market intelligence.

5.2 Collaboration

Collaborative procurement is one of the benefits that can be derived from partnership working. The council supports the concept of public bodies coming together to combine their buying power, to procure or commission goods, works or services or to create shared services to produce economies of scale and accelerate learning.

The council will therefore actively participate with other authorities and organisations, where appropriate and feasible, to seek economies through joint procurement, framework agreements and shared services.

The council will seek opportunities for joint commissioning across local statutory bodies in order to secure a more efficient use of resources and achieve cross-cutting objectives, focussing on understanding what communities need.

7. Electronic procurement

6.1 Electronic tendering

In accordance with legislation and the council's contract rules, electronic procurement is used for all tenders above £10,000. Through the use of e-tendering, a reduction in advertising, paper and overhead costs for suppliers and buyers is achieved.

The E-tendering system automatically updates the government Find a Tender Service and E-tendering is beneficial in unlocking public sector tendering opportunities for small and medium sized enterprises (SME), and provides a more secure environment than the traditional hard copy process. Wherever possible the council will work with SME to help them move to electronic purchasing. E-tendering offers a faster more efficient tendering platform for SME.

6.2 Electronic purchasing

The electronic marketplace industry has continued to grow over the period of the previous strategy and the council continue to increase ordering of goods and services online as well as introduce more online transactions. For example; postage and stationery supplies, which account for more individual orders than any other goods or services, are ordered and invoiced electronically. Moving forward, the council aims to increase electronic purchasing where there are opportunities to do so.

The council uses purchasing cards in relation to low value procurement, allowing the council to largely eliminate the use of petty cash. They also produce the added benefit of eliminating the processing of invoices. Purchasing cards also increase the level of control above that provided by order books.

6.3 Technology

The introduction of E-tendering portal has streamlined the tendering process allowing access to national and international suppliers and the contracts management system that meets the council's transparency obligations. The council will continue to take advantage of the advancement in technology in order to eliminate unnecessary cost from the procurement process

7. Moving forward

The council aims to develop an ethos of continuous improvement and modernisation throughout all areas of procurement within the council and recognises that in order to achieve its procurement objectives it will need to build capacity and skills within the council.

7.1 Training and development

Since the previous procurement strategy the council have held a series of training sessions to develop the skills of staff engaged in the procurement process in and has developed a procurement toolkit, as a guide to best practice, which will remain up to date and accessible.

7.2 Monitoring and performance

The procurement strategy will be reviewed on an annual basis to ensure that it remains up to date and relevant and the action plan is being delivered. The procurement officer meets with One Legal at regular intervals to review current best practice, legislation updates and to discuss future developments to improve the service.

The monitoring of delivery of contracts is a critical factor, and assurance will be provided through internal audit to ensure that services are being provided.

8. Relevant Tewkesbury Borough Council documents

- Council Plan
- Contract Rules.
- Financial Procedure Rules.
- Employee Code of Conduct.
- Anti-fraud and Corruption Strategy.
- Risk Management Strategy.
- Equality and Diversity Policy.

Appendix 1

Development Plan 2021 - 2025

| Action | Completion date |
|--------------------------------------------------------------------------------------------------------------|-----------------|
| Achieve procurement savings to support the delivery of the Medium Term Financial Strategy | Ongoing |
| Consider joint procurement with other councils where possible in compliance with the strategy | Ongoing |
| Analyse and monitor council spend to proactively determine opportunities for effective corporate procurement | Ongoing |
| Develop opportunities with partners to share skills and resources to enable effective procurement | Ongoing |
| React to any changes in procurement regulations | Ongoing |
| Procurement training to be provided for new staff and refresher training for current staff | Ongoing |
| Management of contracts training to be given to relevant staff | Ongoing |
| Development and training to be delivered to relevant staff to ensure delivery of the procurement strategy | Ongoing |
| Maintain contract registers to ensure compliance with transparency requirements | Ongoing |