



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

# **WARWICK DISTRICT COUNCIL**

## **PROCUREMENT STRATEGY 2017 – 2019**



# WARWICK DISTRICT COUNCIL

## PROCUREMENT STRATEGY 2017 – 2019

### 1. FOREWORD

- 1.1. Procurement is the process of acquiring goods, works and services, covering both acquisitions from third parties. The process spans the whole procurement life-cycle from identification of needs, through to the end of a services contract or the end of the useful life of an asset. It involves options appraisal and the critical “make or buy” decision which may result in the provision of services in-house in appropriate circumstances.
- 1.2. Procurement is also about making choices and obtaining “best value for money”. This often means choosing the bid that offers the optimum combination of whole life costs and benefits to meet the Council’s requirement.
- 1.3. Warwick District Council procures works, goods and services to the value of circa £32M per annum (this value excludes expenditure on salaries, pensions and taxation).
- 1.4. In order to be successful this strategy will require highly visible support at all levels of the Council. The Strategy has identified a structure and responsibility framework for corporate procurement that is detailed in Appendix 4.
- 1.5. Throughout, the strategy has been drawn up to provide the freedom of action necessary to deliver services to the customer within a framework of overall control. In this way the benefits to be gained from corporate ‘better buying’ will aid efficient service delivery rather than hinder it.

### 2. INTRODUCTION

- 2.1. The purpose of this strategy is to communicate clearly to all members, employees, partners, suppliers and stakeholders the Council’s vision for how procurement and commissioning of goods, works and services will be carried out, and to articulate the procedural framework within which all procurement will take place.
- 2.2. Public sector procurement is heavily regulated – the European Union Directives 2014 and the UK Public Sector Contract Regulations 2015 require greater emphasis on training so that Council officers are aware of best practice and the constraints within which they can operate.
- 2.3. The Council’s third-party suppliers and service providers also need help to navigate their way through the complexities of the procurement process. Transparency is a key Government objective with a wide range of legislative measures including the right to challenge, equalities, freedom of information, sustainability and carbon reduction issues to consider.
- 2.4. Whilst commissioning and procurement can be seen as separate activities they are inter-related functions that at a very basic level start with the identification of a need through stakeholder and customer consultation that is then taken through the process of sourcing the best delivery option based on the intended outcomes.

- 2.5 This strategy sets out our vision for procurement and contract management and our priorities for the next two years to 2019 incorporating the latest government procurement legislation and initiatives. We aim to provide quality services that are responsive to the needs of our community and deliver optimum value for money.
- 2.6 The strategy sets out how we aim to achieve this over the longer term and includes an action plan for the forthcoming year which will be regularly reviewed and a new action plan produced each year.

### **3. Council Vision**

#### **3.1 Local Context**

The Council's Code of Procurement Practice act as an aide memoire to guide Council officers through the procurement process for low risk quotations and tenders and provides a one-stop shop to support Council officers for all their high value and complex tendering requirements.

The Council is aware of its key role in supporting the local economy to re-invest in the District, to create employment opportunities for local people and to provide training and development opportunities through its procurement activities to upskill the local workforce and deliver on its key priorities in the Council Plan.

#### **3.2 Regional Context**

There is recognition that a key opportunity for achieving best value for money is to take advantage of collaborative working. However, it is also important to acknowledge that collaborative working comes with some compromise. Access to local suppliers may not always be possible where collaboration takes place. In addition the ability to ensure that specific local requirements are thoroughly catered for can become diluted. In order to take these compromises into account Warwick District Council only considers working collaboratively where there is significant benefit and where the access to a local supply chain is limited.

#### **3.3 National Context**

Procurement and commissioning remain high on the national agenda. The National Procurement Strategy for Local Government in England 2014 sets out a vision for local government procurement and encourages all Councils in England to engage with delivery of outcomes in four key areas of making savings, supporting local economies, leadership and modernisation. The National Procurement Strategy for Local Government 2014 is shown in Appendix Two.

### **4. Purpose of the Strategy**

The strategy aims to:

- Increase value for money (defined, for the purposes of this Strategy as the best whole-life cost and quality ratio to fulfil the stated requirements) and reduce processing costs.
- Take a long-term strategic view of the Council's procurement requirements, including the potential for innovative funding and the opportunity for working with other authorities especially for goods and services which can be procured more cost-effectively in a collaborative group.

- To minimise harm to the environment and to promote conservation of natural resources in any procurement decisions.
- To assess the risk associated with each procurement project in order to achieve a balance with commercial outcomes and placing risk where it is best managed.
- Support local businesses local through a range of initiatives including:
  - Making it simpler to do business with the Council;
  - Reduce the bidding burden on suppliers.
  - Have regard to the impact on small/local firms of the way in which procurement is structured.
  - Providing clear information about selling to the Council on our website CSWJETS
  - Contracts for all categories of procurement where the cost is over £25,000 will be published on the Contracts Finder website - [www.gov.uk/contracts-finder](http://www.gov.uk/contracts-finder).

## **5. Strategic Plan**

This strategy will seek to embrace the national, regional and local agendas, and will provide a platform to increase community benefit and develop further the strong foundations that have already been put in place to implement the Public Services (Social Value) Act 2012.

The Council will continue to review the competitiveness of services, achieve value for money on a whole-life basis, and most importantly generate benefits to the economic, social and environmental well-being of the local community.

We will achieve this by focussing on the four key themes as set out in the National Procurement Strategy:

1. Making savings
2. Supporting local economies
3. Leadership
4. Modernisation

### **5.1 Making savings**

We will seek to deliver value for money to the local taxpayer by maximising best value on every pound spent on commissioning and procurement. We will be commercially aware, provide clarity on our expectations to our supply chain, continuously review and ensure our procedures are efficient, and seek to achieve maximum benefits from our systems.

We will encourage use of external benchmarking where we currently deliver frontline services in-house to evidence value for money is being achieved.

## **Objectives & Outcomes**

- Base procurement decisions on whole life cycle principles and avoid awarding contracts in circumstances where price alone should not be the sole consideration
- Constantly review procurement systems, practice and procedures to ensure our processes are efficient and cost effective
- Incentivise our suppliers to help us to reduce demand wherever possible
- Encourage suppliers to adopt self-monitoring contract management regimes and report performance against KPIs on a regular and proportionate basis
- Monitor cashable and non-cashable savings derived from all procurement activity  
Performance Measures

## **Performance Measures**

- % of total non-pay spend channelled through collaborative arrangements with other buying organisations

## **5.2 Supporting local economies**

We will aim to be judged as excellent in terms of our approach to commissioning and procurement and strive to ensure that contract outcomes are aligned to the Council's vision and key priorities.

We will build upon our strong regional relationships with other procurement Teams in the West Midlands, Warwickshire and Worcestershire and work collaboratively to consolidate purchasing power by aggregation, making best use of networking opportunities and sharing best practice.

## **Objectives & Outcomes**

- Consolidate and co-ordinate procurement activity to obtain economies of scale
- establishing corporate contracts for common goods and services where possible and appropriate
- Where a local market does not exist we will work in collaboration with our local and regional partners to maximise our purchasing power
- Seek to understand fully the terms and conditions which apply to framework agreements prior to calling-off them
- Share best practice and learn from our partners to adopt proven methods and outcomes to ensure high quality, cost effective service delivery is achieved
- Strive to become an intelligent client and think innovatively engaging with all stakeholders to drive continuous improvement throughout the supply chain

## **Performance Measures**

- Percentage of suppliers located within Warwick District

- Number of local suppliers actively registered on CSWJETS E Portal

### **5.3 Leadership**

We will enable those with commissioning and procurement responsibilities to develop their skills and undertake their roles effectively and efficiently. We will seek to strengthen engagement with our supply chain, and encourage local suppliers to compete for work through gaining a better understanding of the barriers and obstacles which prevent interest from SMEs and local businesses.

We will use market intelligence to understand the market place and develop service specifications which are attractive to the supply chain. Where possible we will encourage bidders to work together to improve their chances of winning tenders/quotation exercises.

#### **Objectives & Outcomes**

- Seek to build capacity and drive best practice across the Council through the provision of user friendly codes of practice, increased training and development and the provision of accessible professional advice and guidance
- Work with elected members to raise the profile of commissioning and procurement activity across the Council
- Modernise, improve and simplify the procurement process as technology evolves and build upon our existing electronic systems
- Seek to gain a more informed view of the local, regional and national supply chain and examine sectors/areas to stimulate and encourage growth
- Provide the necessary training and support to prospective suppliers to develop their knowledge and understanding of our practice, procedures and systems
- Strive to engage with local suppliers and explore opportunities for them to bid for Council contracts

#### **Performance Measures**

- Number of employees successfully completing in house training

### **5.4 Modernisation**

Strategically, good procurement is meant to achieve services that are competitive in terms of the range of benefits they deliver in return for the cost of providing them. The council must regularly take an objective overview of its procurement performance in relation to its modernisation agenda and options appraisal, have a sound understanding of how effectively services are performing, and assess performance and outputs alongside inputs and costs.

The Social Value Act will also play an important part in any review process. It should apply this review process to all products and activities (including those currently provided in-house), assessing performance in relation to wider social, economic and environmental objectives.

It is important that we make the right decisions at the start of each procurement and always do what's right for the council and its stakeholders; this includes detailed analysis of internal and external options.

### **Objectives & Outcomes**

- We will continuously review our commissioning and procurement framework and strive to ensure that we achieve procurement excellence built on strong ethical foundations.
- We will update our standard control documents to ensure that they are compliant with legislation and are easy to use and fully understood by our prospective suppliers
- We will work with Elected Members to develop a greater understanding of commissioning and procurement and seek to use their local contacts and knowledge to strengthen relationships with the local supply chain
- We will strive to improve relationships with our supply chain to allow for early notification of tender/quotation exercises
- We will continue to provide free access to the supply chain to our e-tendering portal CSWJETS
- We will provide training and development for all Council officers responsible for contract management and seek to strengthen our ability to manage contracts effectively through an improved monitoring regime and a more commercial approach
- Deliver the key objectives of the Council's Social Value Policy and seek to maximise added value in social, economic and environmental terms from every pound spent
- Where a local supply chain exists we will always undertake a procurement exercise which targets bids from local suppliers
- Stimulate local jobs and training/apprenticeship opportunities to support growth and economic development for SMEs by developing robust, targeted and clear specifications for all tenders
- Consult with service users, stakeholders and incentivise providers to ensure social value deliverables are measured consistently, effectively and are understood
- Build ethical and sustainable practices into all procurements and continue to evaluate on a whole-life cycle basis taking into account long term impacts and maximising social return on investment
- We will adopt fair and non-discriminatory practices and encourage a diverse and competitive supply market, particularly targeting interest from small local companies, social enterprises, and the voluntary and community sector

### **Performance Measures**

- Number of formal legal challenges received and upheld against the total number of tenders

## **6. Stakeholder Engagement**

The whole life-cycle procurement framework will allow for early engagement of key stakeholders prior to any formal market engagement procurement exercise taking place. All high value tenders will be supported by the Procurement team.

All low value contracts will be subject to a minimum of three quotations, two of which must be sourced from local suppliers unless a local supply market does not exist.

## **7. Continuous Improvement**

The Council is committed to continuously review practice and procedure throughout the course of this strategy. We will seek to stay ahead of legislative change and best practice in the sector through networking and benchmarking. We will attempt to be responsive at all times and ensure that we simplify the complexities of the procurement sector to those that matter most – the end customer and service recipient and our suppliers.

## **8. Measuring Performance**

A series of key measures and targets have been incorporated earlier in section 5 of the strategy for each of the key themes. These measures will be monitored on a quarterly basis in order to ensure that the performance against targets are delivered or reviewed to reflect any changes in the sector. An Annual Report will be presented detailing progress against the action plan.

## **9. Strategy Review**

This Procurement Strategy has been developed based on the 'known' current climate and is achievable based on existing capacity.

## APPENDIX ONE

### PROCUREMENT STRATEGY ACTION PLAN

Actions	2017/2018	2018/2019
<b>Theme 1. Making Savings</b>		
<p>To maintain a “continuous improvement” ethos throughout the organisation to manage and monitor cost and efficiency savings through good procurement practice</p> <p>Maintain the contracts register and procurement plan to ensure that all market testing activity is legally compliant and deadlines are met</p> <p>Reduce the number of tenders for each supply area through collaboration of tender opportunities.</p> <p>Work towards reducing the number of invoice transactions with current suppliers and new suppliers via the tender Procurement process.</p> <p>As part of the pre tender Procurement process explore the use of buying consortia for the bulk purchase common goods and utilities, for example through ESPO, Fusion 21, Home &amp; Communities Agency or Crown Commercial Services.</p> <p>Investigate and where applicable enter into joint arrangements for Procurement of goods and services with other Local Authorities.</p> <p>Utilise framework agreements as a preference to negotiating local agreements for high value contracts of general goods and services (e.g. IT hardware, telecoms,</p>	<p>Carry out an independent review of WDC’s Procurement team ( its management and staffing structure, practice and procedures ) and consider alternative ways of working. The overall aim being to identify the best fit (in terms of functional organisation, resources, methodology and processes) that will add value and meet the requirements of the Council.</p> <p>Review and reduce off-contract spend.</p> <p>Plans and options appraisal are made well in advance of expiry of contract</p> <p>Benchmark transactional costs with best practice organisations. Spend analysis of top / high volume low value contractors to reduce transactional costs</p> <p>Standardised, corporate processes and documentation to be implemented across the Council.</p> <p>Review procurement performance and report progress.</p>	<p>Compare Procurement performance with best practice organisations.</p> <p>Investigate developing closer collaboration with other Council’s Procurement teams in order to optimise economies of scale.</p> <p>Implement a review for key areas of spends.</p> <p>Review progress of objectives &amp; actions</p> <p>Develop new strategic objectives to suit current climate</p> <p>Shape and influence Collaborative procurement networks.</p> <p>Identify new ways of delivering Procurement services, investigate e-supplier management.</p>

Actions	2017/2018	2018/2019
<p>energy).</p> <p>Where possible ensure that the letting of contracts permits use by other Local Authorities within the West Midlands area.</p>	<p>Develop an annual Forward Procurement Plan and publish on the Council's website</p> <p>Produce and publish the current contract register on a quarterly basis.</p> <p>Maintain contracts register</p> <p>Review of Procurement Card spending levels and activity.</p>	

Actions	2017/2018	2018/2019
<b>Theme 2. Supporting Local Economies</b>		
<p>Implement the requirements of the Public Services (Social Value) Act 2012 and Local Transparency Code.</p> <p>Engage with local businesses, voluntary and 3<sup>rd</sup> sector organisations promoting the councils commercial and social support opportunities i.e. Local Chamber of Commerce</p> <p>Support local businesses to bid for council business by providing training and organising seminars and meet the buyer events.</p> <p>Encouraging local suppliers, SME's and the voluntary and the third sector to compete for Council contracts and ensure such opportunities are promoted locally</p> <p>Provide Procurement support to prosperity agenda initiatives.</p> <p>Consider how the Procurement function may directly contribute to the prosperity agenda.</p>	<p>Encouraging local suppliers to bid for opportunities</p> <p>Regular 'selling to the council' events and pre-procurement market engagement</p> <p>To provide a dedicated Procurement webpage to provide suppliers with a simple unified approach to procurement activity within the Council.</p> <p>Encourage Suppliers and Contractors to attend Business Breakfasts and annual meetings</p>	<p>Ensure local suppliers understand where to find opportunities from the Council and other public sector organisations by ensuring information available on the website</p> <p>Development of appropriate performance measures and indicators as part of management and reporting framework</p> <p>Implement feedback/mystery shopper with suppliers who have applied for contracts</p>

Actions	2017/2018	2018/2019
<b>Theme 3. Leadership</b>		
<p>Give assurance\confidence to local communities, business and employees that the Council's procurement is managed effectively and appropriately in accordance with legislation and government policy</p> <p>Up-skill, train and update those staff who are engaged on procurement activity to maintain a corporate perspective and promote good procurement practice</p> <p>Produce bi-annual reports to Finance and Audit Scrutiny Committee on all Procurement activity undertaken in the preceding period and any efficiency identified.</p> <p>Work with service areas / end users to develop clear / robust quotation / tender documentation ensuring their specification is in line with business needs of the Council, where appropriate.</p> <p>Promote use of e-tendering software for Contract Management</p> <p>Utilise Project Management tools to assist in Procurement Plans</p> <p>Work with Members, Managers and Officers to increase education and awareness of regulations and the Council's Policies.</p> <p>Disseminate the strategy to officers and members.</p> <p>Provide support and training for senior staff involved in Procurement activities and members as required.</p>	<p>Promote and develop Corporate understanding of the Procurement Strategy</p> <p>Review EU Procurement Rules and UK legislation and make necessary changes to existing approaches.</p> <p>Comprehensively training staff, fully understand process and procedures in relation to procurement and contract management</p> <p>Use of forward procurement plan to ensure strategic, high value, high risk contracts are well planned in advance of expiry, with all options considered, and fully resourced</p> <p>Sustainability and environmental issues are considered for all procurement activity</p> <p>Service plans and team operational plans to reflect planned tender activity.</p> <p>Ensure that there are no unintentional breaches in the EU Procurement threshold.</p> <p>Carry out Procurement awareness training sessions to increase and maintain knowledge of Procurement</p>	<p>Implement comprehensive training programme for all staff</p> <p>Update forward procurement plan for 2017/19 for all expenditure over £25,000 for each head of Service</p> <p>Continue to update guidance and provide up to date information for staff carrying out procurement activity</p>

Actions	2017/2018	2018/2019
	<p>regulations and the Council's policies</p> <p>Lead on Procurement activity in line with the Code of Procurement Practice.</p> <p>Review and update Code of Procurement Practice.</p> <p>Review and update Procurement Strategy document and update actions for the forthcoming year.</p> <p>Identify key Procurement activities and for each assess main sustainability issues to be addressed</p> <p>Ensure staff that are involved in Procurement are capable and trained in the use of the e-tendering software</p> <p>Arrange contract management training for all staff involved with contract management.</p>	

Actions	2017/2018	2018/2019
<b>Theme 4. Modernisation</b>		
<p>Ensure that procurement policy and procedures are in line with current legislation, good practice principles and maximising the benefits of technology</p> <p>Conduct research and carry out soft market testing where necessary in order that procurements are focussed and future proofed</p> <p>Maintain good networking relationships with other procurement professionals to ensure that good practice and principles are shared and identify and explore opportunities for income generation and sponsorship</p>	<p>All procurement and contract management activity is fully compliant with legislation and procedure rules</p> <p>Provide training across directives on how Procurement Strategy links with Sustainability Policy</p> <p>Ensure that all tenders will have the appropriate KPIs and provision that allows a break or termination.</p> <p>For continuing contracts, set up Procurement process for reviewing sustainability requirements as existing contracts are due for renewal</p> <p>Maintain current Procurement information on the Council website.</p> <p>Maintain standard pro-forma documentation on the Council intranet.</p> <p>Utilise intranet to inform on Procurement Procedures and any changes in best practice guidance.</p> <p>Maintain and update the business portal on the council's website using appropriate communication media to engage with the</p>	<p>Provide responsible procurement training to supply chain</p> <p>Develop new strategic objectives to suit current climate</p> <p>Develop an automated, online procurement advice request process to capture basic tender information and equip internal stakeholders &amp; procurement staff to take a more strategic role and focus on aggregation of spend &amp; identify collaborative routes for procurements</p> <p>Investigate e-supplier Management</p> <p>Investigate the possibility of online contract signing</p>

<b>Actions</b>	<b>2017/2018</b>	<b>2018/2019</b>
	market-place.	

## APPENDIX TWO

### National Procurement Strategy for Local Government 2014

#### Summary of Recommendations for District Councils

##### Theme 1. Making Savings

##### 1. Category Management

- Recognise the benefits and tap into category management plans of other public sector organisations and through Professional Buying Organisations (PBOs, e.g. ESPO, CCS)
- Review existing framework arrangements at early stages of procurement to reduce duplicated effort
- Recognise the benefits from engaging with a national approach and ensure timely publication of data to ensure a robust analysis can take place

##### 2. Partnering and Collaboration

- Set out the approach to partnering and collaboration in the corporate procurement strategy
- Explore opportunities to procure through existing routes to market, in particular harnessing existing shared service or PBO resources
- Explore the options relating to sharing services or posts with appropriate partners

##### 3. Contract and Supplier Management

- Measure contract outputs and key performance indicators to ensure competitiveness over the life of the contract
- Ensure visibility of supply chains
- Expect main contractors to act fairly with supply chains and mandate timely payment to subcontractors through contract clauses

##### 4. Performance and Transparency

- Baseline contract spending and outcomes internally over time and with other councils and use this information to inform their contingency planning and re competition strategies
- Join together with other councils and partners to share information that makes prices and performance more open and transparent
- Publish data in relation to contracted-out services in accordance with the Transparency Code
- Ensure the rights to the data created as a result of a service being contracted out remains with the Council

## **5. Risk and Fraud Management**

- Where no dedicated procurement resource exists, risks and the implications of poor procurement is identified through corporate risk processes
- Proactively audit contracts to check for fraud
- Include whistleblowing policies as part of contract conditions

## **6. Demand Management**

- Councils build in a demand management approach before procurement begins
- Councils seek alternative mechanisms to procure customer needs

## **Theme 2. Supporting Local Economies**

### **1. Economic, Environmental and Social Value**

- Consideration is given as to how to obtain social value in all contracts over the EU threshold
- Sustainability is considered at the 'identify need' stage of the procurement cycle

### **2. Improving access for SME's and VCSE's**

- Identify all procurement opportunities over £5,000 through regional portals
- Ensure websites make it clear which portals are being used to advertise tender opportunities and how suppliers can register.
- Measure the amount of local spend as a way of identifying and reducing the barriers for smaller organisations in bidding for council contracts
- Develop or update and publish the 'selling to the council' guide
- Mandate payment by suppliers to their subcontractors be no greater than those in the primary contract, through contract clauses.
- Engage with single, simplified PQQ's such as PAS91 for construction
- Learn from and engage with the supply base and other councils on a regional basis through market days
- Ensure that lotting strategies do not create unwanted barriers for smaller Businesses
- Link into existing framework contracts which outline how consortia can be Encouraged

## **Theme 3. Leadership**

### **1. Single Cohesive Voice**

- Engage with procurement networks to ensure visibility of and input into policy
- Join with PBO's to showcase and share good practice and to influence Government and the wider public sector

### **2. Commitment From the Top**

- Provide periodic updates senior managers and elected members on implementation of good practice (set out in this NPS) and its relevance to the organisation
- Encourage an elected member champion for procurement
- A senior level manager takes overall strategic responsibility for procurement and ensures full value is extracted from all procurement decisions
- Link the procurement strategy to the corporate strategy

### **3. Commissioning**

- Use a strategic commissioning approach to appraise new service delivery models
- Procurement and Commissioning staff work together to ensure best outcomes for service users
- Demonstrate a willingness to move to multi-functional delivery
- Set out a corporate approach to decommissioning services that includes:
  - Clear objectives
  - Co-produced products and strategy
  - Communications strategy
  - Transparency
  - Timescales and timetable
  - Risk management
  - Defined roles for those involved

### **4. Procurement Training**

- Engage with other councils to 'piggy back' onto training and development Programmes
- Ensure senior officers are involved directly in high value contracts.
- Recruit consultants with commercial skills to help with developing a more commercial approach. Knowledge transfer should be part of the consultancy contract.
- Engage with training on new EU Procurement Directives either through other councils or directly

## **Theme 4. Modernisation**

### **1. Commercialism and income generation**

- Invest in training and developing commercial acumen for new and existing staff
- Develop forward savings and income generation plans

### **2. Supplier Innovation**

- Join with other councils and PBO's to engage in supplier market and innovation Days
- Ensure terms and conditions are flexible enough to allow for changes in technology during the life of the procurement
- Use outcome-based specifications that include the minimum technical and performance requirements and focus on a statement of the problem that needs to be solved

### **3. Using Technology**

- Use electronic means for tendering processes in line with EU Directives
- Work with suppliers to encourage a move to more e-business
- Consider making e-invoicing a contractual requirement

### **4. EU Directive**

- Cascade training to council officers and elected members outside of the 'procurement team'
- Maximise the flexibilities afforded in the new EU Directives

## **APPENDIX THREE**

### **Current Legislation in reference to Procurement and Contract Management**

#### **1. EU Procurement Directives and The Public Contracts Regulations 2014**

All Council's in the United Kingdom are required by law to comply with the EU Public Procurement Directives and The Public Contracts Regulations 2014 for the advertising and the award of Contracts.

Information about how and when these should be applied should be sought from the Procurement Team.

#### **2. The Public Sector Equality Duty (PSED)**

The PSED is contained within section 149 of the Equality Act 2010 and requires those public bodies which are subject to the duty, to have due regard to the three aims of the duty:

- eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act;
- advance equality of opportunity between people who share a protected characteristic and people who do not share it; and
- foster good relations between people who share a protected characteristic and people who do not share it.

The council aims to embed the requirements of the PSED throughout the procurement and contract management cycle. Compliance with the PSED will help the council ensure that procured goods and services are fit for purpose, therefore ensuring they meet the needs of their users. The PSED is an effective tool for improving economy, efficiency, effectiveness and value for money. The PSED should help to ensure that public goods and services are accessible to, and meet the diverse needs of all users so that no one group is disadvantaged.

The EU public procurement rules allow for equality-related issues to be taken into account in the procurement process where they are relevant to the subject matter, or relate to the performance, of the contract. 'Due regard' in the context of public procurement means consciously considering the relevance of the three aims of the duty to the individual procurement and ensuring that where equality issues are incorporated into the procurement process, it is done in a proportionate way taking into account value for money.

Embedding the PSED into procurement procedures and practices will also ensure that the council's equalities priorities are supported.

#### **3. The Public Services (Social Value) Act 2012**

The Council will adapt its activities to ensure that the requirements of the Act are embedded into procedures and practice. The Act requires that public authorities, before

starting the procurement process for above EU threshold services contracts, consider the following:

- How what is being procured might improve the economic, social and environmental well-being of the Council's area;
- How the proposed improvements in economic, social and environmental wellbeing might be delivered;
- Whether consultation has been, or is proposed to be, undertaken on the potential improvements themselves or how they might be secured.

Legislation allows factors such as carbon footprint, replacement cycles and social benefits to be taken into consideration within the evaluation process of a tender. It puts the onus on suppliers to provide information about expected lifetimes and warranties when supplying goods and the demonstration of sustainable practices when it comes to services and works. Where relevant these issues will be addressed at the beginning of the procurement process – during the formation of the business case and in the writing of the specification.

#### **4. Safe Guarding**

The council's 'Policy and Procedure for the Safeguarding of Children and Vulnerable Adults' sets out its approach to safeguarding and best practice for council staff, volunteers and councillors. It also includes guidance for third party agencies involved in the procurement process. This policy is based on current safeguarding legislation and guidance including:

- Working together to safeguard children, 2013.
- Protection of Freedoms Act, 2012.
- Safeguarding Vulnerable Groups Act, 2006.
- Children Act 2004 (including provisions and guidance in 2005).
- 'No Secrets' guidance, 2000 (including the revision of this guidance in 2010).
- The Protection of Children Act, 1999.

(This list is not exhaustive).

Where relevant to the contract, safeguarding is considered throughout the procurement process.

#### **5. Duty of Best Value**

Best Value authorities are under a general Duty of Best Value to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness."

Under the Duty of Best Value, therefore, authorities should consider overall value, including Legislation, economic, environmental and social value, when reviewing service provision. As a concept, social value is about seeking to maximise the additional benefit

that can be created by procuring or commissioning goods and services, above and beyond the benefit of merely the goods and services themselves.

## **6. Health and Safety**

Every district and unitary council in Great Britain has a statutory duty under Section 18 of the Health and Safety at Work etc. Act 1974 to ensure it makes adequate provision for health and safety regulation in its area.

Both the council and the contractor have significant responsibilities under health and safety law. Everyone needs to take sufficient and suitable precautions to reduce the risks of workplace dangers to employees and the public. It is important to make sure everyone understands the part they need to play in ensuring effective health and safety measures are in place.

The council needs to satisfy itself that contractors can do the job safely and without risks to health. This means making enquiries about the competence of the contractor – do they have the right combination of assessment of risk based tasks, trade skills, experience and knowledge? The degree of competence required will depend on the work. Similarly, the level of enquiries made of the contractor should be determined by the level of risks and the complexity of the job.

## **APPENDIX FOUR**

### **STRUCTURE & RESPONSIBILITY**

- 1.1 Implementation of this strategy requires clear functional responsibility to be assigned to procurement at both Member and Officer Level.
- 1.2 An outline of the responsibilities of Members and Officers is as follows:
- **Executive** – The Executive assume ultimate responsibility for Procurement across the Authority
  - **Finance and Audit Scrutiny Committee** – to promote value for money and good Procurement practice
  - **Corporate Management Team** –CMT have responsibility for officer Procurement activity
  - **Head of Finance** – Responsible for the procurement team, procurement activity and adherence to the Code.
  - **Procurement Manager** – Provides expertise to ensure that all procurement activity undertaken by the Council are transparent, auditable and comply with all relevant local, national and European legislation thus ensuring the Council is exposed to minimal risk in this area and efficient use of resources.
  - **Senior Management Team** - Heads of Service are responsible for Adherence to the Code of Practice within their Service Area ensuring that all Managers in their Area understand the Code, training needs are Identified and provided, maintenance of the Contracts Register ensuring the information held is correct in line with the agreed contract award and that procurement exercises are carried in line with the approved budget.
  - **Officer Level** – All other tasks relating to procurement and the management of contracts are the responsibility of departments in accordance with the scheme of delegation.
- 1.3 These balanced management arrangements should provide for:
- Strategic management of procurement at corporate level;
  - A corporate approach to the management of major procurement projects;
  - Economies of scale in purchasing with other local authorities and through corporate framework agreements;
  - Centralisation of procurement from service areas to ensure procurement activity is carried out more effectively and in line with the business needs of the Council;
  - Delegation of authority to order goods works and services to Approved Officers.