



Procurement Strategy 2015

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FOREWORD

We (“the Council”) need to ensure that we are providing value for money for all our stakeholders. At the same time we are committed to providing quality services and forming good relationships with our suppliers.

Procurement in recent years has attracted national and political attention. Procurement is an important tool in a Council’s toolkit through which to deliver its wider social, economic and environmental aims, and not just about buying goods, works and services at the lowest prices.

When an Officer procures goods, works or services they will consider the corporate priorities and ask questions such as “can the voluntary or community sector be involved in this procurement?”, “can this project boost the local economy?”, “what is the environmental impact of this procurement?” and “how do Harlow residents want this delivered?”.

With decreasing resources procurement has an even greater role to play. It plays a key role in making savings and efficiencies across the Council. The ability to do more for less will be essential to make further savings across the Council.

The Procurement Strategy (“the Strategy”) has been developed with the Council’s vision in mind to improve “*Harlow for residents, businesses and visitors*” and to promote the close working relationships it has with the town’s residents, its suppliers and organisations that wish to work with us.

National Procurement Strategy for Local Government in England (2014)

The Council’s Procurement Strategy will support the objectives of the National Procurement Strategy which stresses the importance of a more strategic approach to the largest areas of spend, better management of contracts and wider public sector working to gain maximum efficiency.

INTRODUCTION

The Strategy provides a Framework for the procurement of goods, works and services that will support the Council's priorities which are:

- More and better housing
- Regeneration and a thriving economy
- Wellbeing and social inclusion
- A clean and green environment
- Successful children and young people

The Strategy highlights the principles and methodology we will use to meet our duty to demonstrate value for money in service delivery whilst ensuring that the Council's aspirations can be met. In so doing, Officers shall:

- Strive to obtain and secure value for money and where possible deliver savings and efficiencies from all goods, works and services required by the Council.
- Ensure the procurement of goods, works and services is open, fair, ethical and transparent.
- Deliver procurement excellence through the identification of new and innovative solutions for service delivery; and
- Listen, advise and share knowledge and procurement experiences and expertise.

Procurement at Harlow Council will take place within the context of Contract Standing Orders, the policies of the Council and all relevant UK and EU legislation. To support this, the Corporate Procurement Team will co-ordinate and monitor procurement activity across all Service areas of the Council. The Team has developed a comprehensive Procurement Guidance document, which sets out in more detail how the Council's Contract Standing Orders are to be applied and offers practical advice. This Guidance will be available via the Council's intranet.

The Corporate Procurement Team will give advice, guidance and support, seeking where appropriate specialist legal advice and guidance on all aspects of procurement law and practice from the Council's Legal Services.

Who is the Strategy for?

Councillors	To guide, challenge and review the way procurement is applied at the Council.
Harlow Senior Management Team	To manage their Service in compliance with the principles and actions in the Strategy.
Corporate Procurement	To support the Council's aims and objectives by implementing the Strategy across the Council.
Key Stakeholders e.g. residents, contracting organisations, voluntary sector	To inform and give an understanding of the direction of procurement at the Council and its requirements.

THE PROCUREMENT FRAMEWORK

The Strategy will be delivered by reference to the key stages of the procurement process (“the Procurement Framework”) which are outlined at **Appendix 1**. This sets out the Framework for achieving the Council’s objectives and will be supported by a suite of documents to give advice and guidance to Officers involved in procuring goods, works and services across the Council.

The Strategy applies to all procurements from routine low value to high value and complex projects. The Procurement Framework embraces the Council’s vision and is split into five distinct areas briefly described below:

Stage 1 – Corporate Planning

This is the pre-procurement stage and covers the strategic overview of what the Council wishes to achieve, its corporate priorities and forward planning of each of the Service areas.

Stage 2 – Identify Needs and Options Appraisal

This stage will explore the opportunities for innovative procurement e.g. partnering, collaboration, sharing resources and the option for a service to be provided in-house by the Council. Service areas must act corporately in planning and conducting the procurement activity. Where appropriate, the potential purchasing power of the Council should be maximised.

Stage 3 - Market Engagement

The Council is committed to promoting a strong local economy by providing high quality information and advice to assist local businesses and engages with the market in a variety of ways e.g.

- a) Website:** suppliers can register their interest in working for the Council and view current tender opportunities on the Council’s procurement portal and existing contracts on the East of England Contracts Database. Tendering information and guidance is also available on the website.

- b) Advertising:** Public Procurement Regulations place a duty on Officers to publicise the Council’s requirements to ensure that a fair and equal opportunity is offered within the market. Adverts must be non-discriminatory and be sufficient to attract genuine

competition. As a minimum, the Council will advertise on its website and in the local press.

- c) E-tendering:** The Council administers a high percentage of its tendering activity via the MyTenders web portal. This streamlines the procurement process and enables suppliers to have immediate access to tendering opportunities.

Reasonable steps will be taken to encourage a diverse and competitive supply market, including small firms, social enterprises, ethnic minority businesses, voluntary and community sector suppliers by considering how the proposed procurement could:

- make local improvements and how these could be delivered via the procurement process;
- improve the economic, social and environmental well-being of Harlow and the surrounding areas;
- promote equality, diversity and sustainability issues;
- promote the Council's aspirations regarding the employment of apprentices and local employment on Council contracts.

Local suppliers will be encouraged to bid subject to the Council's minimum requirements in terms of qualifications, experience, financial and economic standing being met.

Stage 4 – Award and Implementation

This stage of the process is governed by the Council's rules and governing legislation. Public relations opportunities should be utilised (where appropriate) to publish the new arrangements.

Stage 5 - Contract & Performance Management

Contracts will be managed and monitored by the Officer designated by the appropriate Head of Service. The responsible Officer shall be required to keep complete records during the lifetime of the contract and should monitor, as a minimum:

- a. Performance/KPI's
- b. Compliance with specification and terms and conditions
- c. Cost (keeping within budget and identifying savings)
- d. User satisfaction and continuous improvement

COUNCIL'S ASPIRATIONS

The Council's Governance Expectation sets out, as far as it is able to do so under law how the Council will expect its suppliers to act. The matters listed below and the extent to which they will be applied to any procurement must be proportionate and relevant to the contract.

Blacklisting and Other Discriminatory Practices - The Council will, as part of its due diligence use all endeavours to ensure that suppliers have in place policies and procedures that address any workers legitimate concerns pursuant to governing legislation e.g. Health and Safety issues, Whistleblowing, Trade Union membership.

If it comes to light that a breach has occurred regarding Blacklisting and Other Discriminatory Practices, the Council will, as far as it is able to do so under law, ensure that these organisations are not on the Council approved suppliers' list for future work. This will be enshrined in the Council's procurement processes and where appropriate contracts will include terms that a breach could be grounds for termination of the contract.

Zero Hours Contracts – The Council will refuse (to the extent the law allows) the appointment of contractors who make use of zero hours contracts.

Living Wage – Every Council employee earns at least the Living Wage. The Council's vision is much wider and encourages all its suppliers to pay the Living Wage through the procurement process.

Apprenticeship and Local Employment – The Council will encourage the employment of apprentices, local labour, employment and training opportunities through the procurement process and contract management.

Ethics - The Council will promote ethical behaviour and encourage suppliers to use Fair Trade products, minimise the harm caused by trade and encourage good practice, recognise Trade Unions and seek to make a positive contribution to the local community through the procurement process and its contracts.

Where proportionate and relevant to the contract, the Council's aspirations shall be incorporated into the terms and conditions and any breach thereof may be grounds for termination of the contract.

GOVERNANCE AND RESPONSIBILITY

The statutory framework and rules for procurement are set out in Contract Standing Orders (CSOs) and the Financial Regulations, which forms part of the Council Constitution. The roles and responsibilities are also set out in these documents. Compliance with the Strategy is compulsory.

A core part of the Council's corporate governance is risk management. In the context of procurement it is about ensuring procurement at the Council is delivered within a consistent structure, and that the Council makes decisions based upon a process that explicitly defines and supports better decision-making. This is achieved by providing a better understanding of the risks involved with procurement and their impact upon the Council.

In all their dealings, Councillors and Officers will preserve the highest standards of honesty, integrity, impartiality and objectivity in accordance with the Council's Constitution, Financial Regulations, Contract Standing Orders and Councillors' and Officers' Codes of Conduct.

Where the procurement involves the potential transfer of an employee (TUPE), the Council shall take every care to ensure the transfer is handled in accordance with the advice and guidance published by the Department for Business Innovation and Skills (Labour Market).

All goods, works and services commissioned by the Council will operate within the requirements of the Council's Safeguarding Children Policy and meet the relevant legislative standards.

Heads of Service are responsible for procurement planning, decisions and the day-to-day activities in their Service areas in conjunction with the Corporate Procurement Team. The Head of Service shall designate an appropriately qualified and experienced Officer ("the Contract Manager") to manage and monitor contracts to ensure that the contract is fully implemented.

The **Corporate Procurement Team** is responsible for providing a comprehensive Procurement Service, technical expertise, advice, guidance and support. The Team implements and monitors the Council procurement activities.

All procurement exercises involving expenditure of £5k and greater (this include goods, works and services subject to EU Procurement regulations) are subject to the advice and guidance of Corporate Procurement.

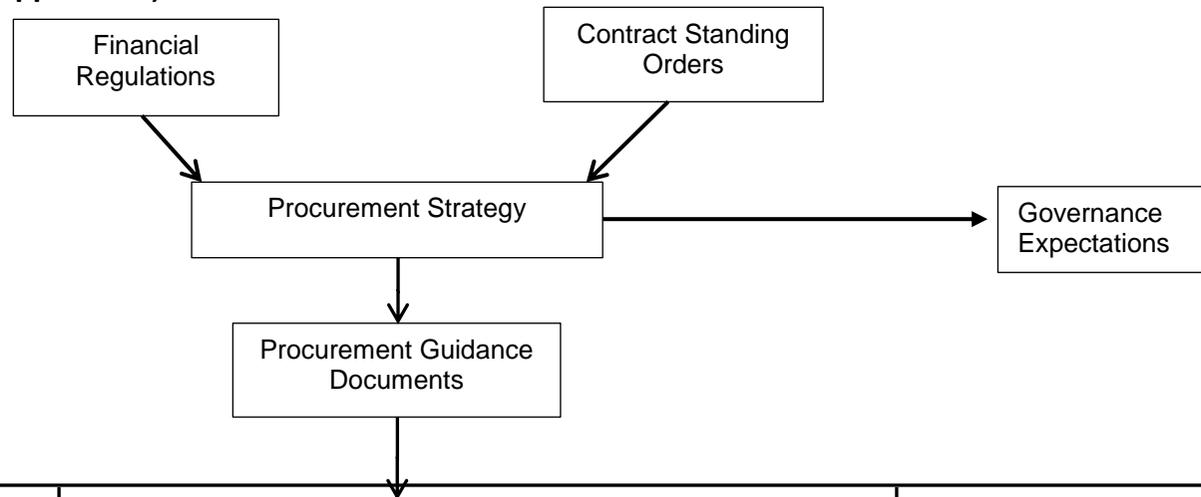
Supporting Documents

The Strategy will be supported by the Procurement Guidance documents and toolkit, which provides details of the systems, procedures and actions required to meet the requirements of this Strategy.

Monitoring and Review

The Strategy and associated policies will be reviewed annually to ensure that legislative and other changes are incorporated.

Harlow Council Procurement Framework (Appendix 1)



Stage 1 Corporate Planning	Stage 2 Identify Needs & Options Appraisal	Stage 3 Market Engagement Exercise	Stage 4 Award and Implementation	Stage 5 Contract & Performance Management
Activities:	Activities:	Activities:	Activities:	Activities:
Spend Analysis	Project Initiation & Management	Advert and Supplier Vetting (PPQ)	Standstill Period & Debriefing	Performance Review Meetings
Strategic Service/Spend Review	Align to Corporate Priorities and Objectives & Governance Expectations	Writing a Specification,	Report to Cabinet	Customer Satisfaction
Forward Corporate Procurement Plan	Market Analysis & Soft Marketing Testing	Invitation to Tender Documents	Award of Contract	Budget and Payment Reviews
Service Areas Procurement Planning	Option Analysis & Resources to Delivery	Evaluate Tenders	Contract Preparation and Mobilisation	Annual Reporting
	Business Case identifying constraints, statutory requirements, leases, resources, financial considerations	Consultation with Stakeholders and Councillors	PR Opportunities	Lessons Learnt
	Does TUPE apply/Pensions	Social Value Act & Equality and Diversity, Safeguarding	TUPE Transfer (if applicable)	Business Continuity & Exit Strategy
	Land interest/leases	Events i.e. Meet the Buyer		Risk Management & Risk Register

Legislation (Appendix 2)

The Council's procurement activity is governed by legislation including the following (this is not an exhaustive list):

European Union Public Contracts Directives 2014 – The new Directives introduces changes that will provide a more modern, flexible and commercial approach to procurement. Cabinet Office states that Authorities will be able run '*faster procurement exercises with less red tape and more focus on getting the right supplier and the best tender*'. The new Directives will be implemented into national law by the Public Contracts Regulations 2015.

Public Contracts Regulations 2015 – Major changes to the way the public sector procures goods and services will be introduced early in 2015. The changes are intended to simplify the approach to procurement across all public sector authorities to enable small businesses to gain better and direct access to the public sector market and include:

- The removal of Pre-Qualification Questionnaire (PQQ) for low value contracts for the supplies and services and a single and standardised PQQ (for the public sector) for above the European Union threshold.
- All opportunities (£25,000) to be published on Contracts Finder including the details of the winning bidder and the type organisation e.g. small business or voluntary organisation.
- Promote payment of invoices with 30 days and these terms incorporated into the contract conditions. Late payment of invoices to first tier suppliers to be published annually.

Small Business Enterprise and Employment (SBEE) Bill – The Bill is intended to give new powers to Central Government to help small businesses gain better access to public sector contract opportunities and introduce a range of measures to streamline procurement and reduce barriers. The initial reforms will be implemented as part of the Public Contracts Regulation 2015.

Public Services (Social Value) Act 2012 – The Act requires social, environmental and economic factors to be taken into account. Only factors relevant and proportionate to the subject of the proposed contract can be considered.

Localism Act 2011 - A new set of rights for communities. These are:

- Community right to challenge - allows voluntary and community groups, parish councils or two or more members of local authority staff to express an interest in running a service currently commissioned or delivered by a local authority.
- Community right to bid - allows communities to nominate buildings and land that they consider to be of value to the community, to be included on a local authority maintained list.

Equality Act (2010) – This creates an umbrella for all equality and diversity legislation. In 2011, the Act introduced a Public Sector Equality Duty which required public bodies to consider how decisions and services may impact upon different groups in the community. Mechanisms are in place to ensure that suppliers and the Council comply with Equality Act 2010 and the Public Sector Equality duty.

Local Government Transparency Code 2014 - This places an obligation on Local Authorities to publish details of any contracts, commissioned activity, purchases orders, agreements and any other legally enforceable agreement with a value that exceeds £5,000.

Contracts Standing Orders (CSOs) & Financial Regulations – CSOs are a requirement of Section 135 of the Local Government Act 1972. All procurement is undertaken within the Council's regulatory framework as set out in the Constitution, Contract Standing Orders and Financial Regulations.

Safeguarding - Whilst the Council does not have a statutory responsibility for child protection (this lies with Essex County Council) it is obliged to perform certain functions that will help safeguard and promote the welfare of children in the area:

- Section 10 of the Children Act 2004 states that each local authority must make arrangements to promote co-operation between the authority and its partners and any other relevant persons or bodies working with children in the area.
- Section 11 of this Act requires a range of organisations (including district councils) to ensure that their functions, and services provided on their behalf, are discharged having regard to the need to safeguard and promote the welfare of children.