

## Report of the Deputy Chief Executive

**PROCUREMENT AND COMMISSIONING STRATEGY 2019-2024**1. Purpose of report

To approve the Procurement and Commissioning Strategy 2019 to 2024.

2. Background

The updated Procurement and Commissioning Strategy, included in the appendix, has been refreshed to ensure compliance with the Public Contracts Regulations (PCR) 2015, internal governance procedures (Financial Regulations - Contract Standing Orders) and current corporate requirements.

The Strategy, which covers the five-year period 2019 to 2024, sets out the central role of the Procurement function in supporting the Council in achieving compliance with the regulations, whilst maintaining an efficient and cost effective procurement and commissioning activity.

In order to support local people and local business, the Council will endeavour to spend locally wherever possible; achieve the best possible value for money; purchase responsibly and sustainably; encourage local businesses to provide goods and services to the Council, and achieve social value through our purchasing arrangements.

This Committee is responsible for developing and approving the Council's Procurement and Commissioning Strategy. Updates on procurement activity and action plan progress in the delivery of the strategy will be provided to the Finance and Resources Committee at least once per annum. Council will be considering the necessary revisions to Financial Regulations – Contract Standing Orders, to align them with the new strategy, which will come into effect after their approval by Council.

**Recommendation**

**The Committee is asked to RESOLVE that the Procurement and Commissioning Strategy 2019-2024 be approved and come into effect following the approval of revised Financial Regulations – Contract Standing Orders by Council.**

Background papers

Nil

## APPENDIX

**PROCUREMENT AND COMMISSIONING STRATEGY 2019 - 2024****Introduction**

This Procurement and Commissioning Strategy sets out the central role of the Procurement function in contributing to achieving the Broxtowe Borough Council corporate priorities in a manner which reflects its vision and values and supporting the Council in ensuring compliance with regulations, whilst minimising expenditure.

This strategy must be used in conjunction with Internal Governance procedures and the Public Contracts Regulations (PCR) 2015.

**Background**

*The Council's Vision for Broxtowe is 'a great place where people enjoy living, working and spending leisure time'.*

The Council's Values are:

- **G**oing the extra mile: a strong, caring focus on the needs of communities
- **R**eady for change: innovation and readiness for change
- **E**mloyees: valuing employees and enabling the active involvement of everyone
- **A**lways improving: continuous improvement and delivering value for money
- **T**ransparent: integrity and professional competence

In order to support local people and local business, the Council will endeavour to keep the 'Broxtowe Pound' in Broxtowe wherever possible; achieve the best possible value for money; purchase responsibly and sustainably; encourage local businesses to provide goods and services to the Council, and achieve social value through our purchasing arrangements.

In terms of its five **Corporate Priorities**:

**Housing**: A good quality affordable home for all residents of Broxtowe

- The Council will use its purchasing power in Housing to achieve best value for money, systematically ensuring all purchases are appropriately tendered and contracts are actively managed.
- The Council will purchase responsibly and sustainably, requiring suppliers to follow WRAP principles (Waste and Resources Action Programme) to minimise waste, optimise recycling and reduce the amount of single use packaging wherever possible.
- Through the specification of its new build programme, the Council will be an exemplar in use of sustainable construction methods and energy efficiency.

**Business Growth:** New and growing businesses providing more jobs for people in Broxtowe and improved town centres

- As part of major corporate procurement exercises, the Council will require the delivery of social value in the form of, for example, apprenticeship opportunities for local people
- The Council will encourage local businesses to bid for the Council's business.

**Environment:** The environment in Broxtowe will be protected and enhanced for future generations

- The Council will work with stakeholders and suppliers to ensure its specifications drive sustainability and give improved working life
- The Council will encourage suppliers to develop products and ways of working that reduce the impact on the environment by improving recyclability, reducing energy consumption and reducing reliance on fossil fuel by increasing reliance on renewable energy

**Health:** People in Broxtowe enjoy longer, active and healthy lives

- The Council expects its suppliers to treat their employees well, promote the health of their workforce complying with minimum wage legislation and other employment protection arrangements.
- The Council expects all its suppliers to comply with high standards of health and safety so that neither their employees nor members of the public/local residents are put at risk in the delivery of contracted services for the Council.

**Community Safety:** Broxtowe will be a place where people feel safe and secure in their communities

- The Council will demand the highest ethical standards from its suppliers including compliance with modern slavery legislation; information management, and adherence to child protection and vulnerable adult protection standards
- The contract letting procedures will ensure the Council actively guards against the risk of bribery and corruption; money laundering and fraud.

### **The National Procurement Strategy**

This strategy is informed by the National Procurement Strategy produced by the Local Government Association (LGA) in promoting the following three themes reflecting local government's priorities:

- Showing leadership
- Behaving commercially
- Achieving community benefits

The key areas which emerge from these themes to address the risk of failure of strategic suppliers:

- Engaging strategic suppliers
- Managing strategic risk
- Option appraisal (including make or buy decisions)
- Procurement strategies that promote competition in the marketplace (including opportunities for SMEs and VCSEs)
- Contract and relationship management (including supplier financial distress measures)

In order to make this happen four 'enablers' have been identified:

- Developing talent
- Exploiting digital technology
- Enabling innovation
- Embedding change

The LGA have produced a 'Toolkit' to help local authorities set objectives relating to their maturity levels in each of the key areas and then identify their progress. The LGA Toolkit should be used to assess the current maturity level of the Council which will then inform key action plans in each area to ensure continuous development towards a higher status. The Toolkit can be found on the LGA website at [https://www.local.gov.uk/sites/default/files/documents/11.137%20NPS\\_V04.pdf](https://www.local.gov.uk/sites/default/files/documents/11.137%20NPS_V04.pdf)

In addition to the above from the National Procurement Strategy, the Council will:

- Commission the right quality goods and services;
- Deliver robust, transparent procurement exercises and contracts;
- Provide improved outcomes for all our stakeholders;
- Ensure the optimum balance of quality and cost;
- Ensure all Contracts are sustainable;
- Improve efficiencies e.g. in relation to web-based service delivery/e-invoicing;
- Minimise waste;
- Reduce the burden on administrative and monitoring resources;
- Encourage open and fair competition;
- Give strong governance and minimise opportunities for errors or fraudulent activity;
- Engage with key stakeholders including councillors, senior managers and tenants;
- Work with partners to continually improve;
- Develop commercial opportunities.

### Accountability

The Policy and Performance Committee is responsible for developing and approving the Strategy. The Finance and Resources Committee is responsible for overseeing efficient and effective procurement and commissioning and will be updated on procurement activity and progress in delivery of the strategy at least once a year.

### Authorisation

Authorisation levels will be in line with the Council's Financial Regulations (Contract Standing Orders). Appropriate authorisation should be obtained before commencing each key stage of a procurement exercise.

### Deputy Chief Executive

The officer with overall responsibility for ensuring efficient and effective procurement is the Deputy Chief Executive (Section 151 Officer). The responsibility of the Deputy Chief Executive will be to:

- Ensure resources are recruited to provide leadership for the procurement function
- Ensure the development of a corporate procurement strategy
- Ensure the development and keeping up to date of a Corporate Contracts register
- Ensure periodic audits of procurement activity
- Ensure General Management team and the Finance and Resources Committee are updated on any non-compliance issues
- Oversight of compliance with Financial Regulations (Contract Standing Orders).

### Chief Officers

All Chief Officers will ensure that:

- Procurement within their service areas is managed systematically, efficiently and cost effectively
- Appropriate project management arrangements for tendering within their service areas are in place
- There is compliance within their department with legislative requirements for procurement and standing orders
- Contracts which are let are monitored and managed effectively and within the budget framework
- Employees within their department are appropriately trained on procurement
- Reports are prepared to General Management Team (GMT) and/or Committee whenever necessary on procurement within their service area.

### General Management Team (GMT)

GMT will consider proposals from Chief Officers, Heads of Service and the Procurement and Contracts Officer regarding potential changes to contracting and commissioning arrangements and will ensure that decision making, whether within delegated powers or as proposed to committees, is sustained by a robust business case.

GMT will receive periodic reports outlining progress on matters relating to procurement and contract monitoring.

Heads of Service

All Heads of Service and other senior managers will:

- Manage procurement within their service area to deliver cost effective and continuously improving services
- Actively engage in project management for tendering of goods and services within their service area
- Ensure compliance with standing orders and national legislation regarding procurement within their service area
- Ensure services which are contracted out have written contracts through which to hold contractors to account
- Collect data to ensure compliance with contracts and for reporting purposes
- Highlight any non-compliance issues, such as expired contracts, to their Chief Officer
- Manage contracts within their service area to ensure compliance with contractual requirements
- Keep themselves up to date with procurement legislation and seek expert advice where necessary from the Procurement and Contracts Officer

Procurement and Contracts Officer

The lead procurement officer, based in Finance Services (Audit and Control section), will be responsible for:

- Developing procurement and commissioning policy and strategy
- Developing contract management procedures
- Advising officers of the Council to assist them in discharging their procurement responsibilities
- Identifying suitable frameworks which may offer the Council good value for money
- Developing online training and other types of face-to-face training on procurement matters
- Preparing reports for GMT and/or Committee as necessary, and highlighting any issues of non-compliance
- Maintaining an up-to-date corporate contracts register
- Participating in project management of major contracts where required
- Providing oversight to procurement activity within service areas and highlight any areas where there is scope for improvement
- Ensuring any procurement action plans associated with this strategy are implemented

Key Stakeholders

Any officer of the Council with responsibility for:

- Producing the specification
- Day to day operational liaison with the supplier
- Assisting with assessments of tenders or quotations

Assessment Panel

- The Procurement and Contract Officer and Key Stakeholder(s) will form an assessment panel to assess the qualitative elements of tenders. The panel may include other stakeholders, users and subject experts (including external experts engaged by the Council).
- Assessors may restrict their assessments to specialist elements (i.e. Health and Safety), but must assess the same elements for all qualifying bidders.

**The Procurement Cycle – Key Stages**

1. Identify the need for a procurement exercise

**Authorisation**

2. Initiate procurement exercise
3. Conduct Market Research
4. Develop Strategy with key stakeholder
5. Select the type of Procurement Procedure to be used
6. Develop Specification / Brief - with key stakeholder
7. Develop Tender pack including assessment methodology

**Authorisation**

8. Invite Tenders, using appropriate procedure
9. Assess tender responses in accordance with published methodology
10. Produce Contract Award Recommendation report

**Authorisation**

11. Award Contract / Place Order
12. Receive Goods / Services / Works
13. Pay for Goods / Services / Works
14. Manage Contract throughout its life
15. Review Contract – Procurement and key Stakeholder

**Procedures**

**1. Identify the Need for a Procurement Exercise**

- 1.1. Procurement exercises can arise for a variety of reasons, such as:
- Expiry of current agreements where there is a continuing requirement;
  - Aggregated spend analysis identifies a Council wide demand;
  - New capital project e.g. town centre re-generation;
  - New ways of working.
- 1.2. The requirement should be quantified, where possible by reviewing existing demand data.
- 1.3. The quality of the current service should be evaluated to identify successes and weaknesses of the current model and the cost of delivery should be benchmarked against peers.
- 1.4. Consideration should be given to whether there are good reasons for carrying out work 'in-house' instead of buying in services. Other considerations, such as whether the Council should continue to provide the service in the existing form at all – perhaps because of the growth of market provision; or whether a shared service solution developed in partnership with other local authorities, voluntary sector, other public sector or private companies should also be thought through. Decision making in relation to these issues (especially if significant sums are involved) will normally rest with politicians, after consideration by GMT. As well as the relative costs and utilisation of employees, a strategic view should be taken on the long term viability and sustainability of both the Council's and external supplier's ability to carry out the work.
- 1.5. For new requirements assessments should be made to draft the scope and budget requirements.

**2. Initiate the Procurement Exercise**

- 2.1. Liaise with the Procurement and Contracts Officer.
- 2.2. Identify project sponsor, key stakeholders and other interested parties.
- 2.3. Determine project management reporting arrangements.
- 2.4. Develop outline timeline.
- 2.5. Identify key risks, issues and dependencies.
- 2.6. Confirm scope.

- 2.7. Confirm budget availability, seeking relevant committee authority if not already within budget framework. Note: When determining the strategy to be used, the value of the procurement exercise should be based on the total amount payable across the various departments of the Council, including options and renewals over the anticipated contract period (usually four years).

**3. Conduct Market Research**

- 3.1. What solutions are currently available in the market?
- 3.2. Are there any new innovations or developments which would provide a better or more cost-effective solution?
- 3.3. What do peer organisations do? Is there an opportunity to work with them or a larger consortium to develop a procurement solution?
- 3.4. Is there an opportunity to work with peer organisations to deliver the service internally, possibly with shared resources?
- 3.5. Is this a totally new area where the Council is the innovator/designer of the solution?
- 3.6. Would an alternative model of service delivery achieve better performance and/or value?
- 3.7. What is best practice?

**4. Develop a Procurement Strategy for the Exercise**

- 4.1. The most appropriate procurement strategy for each exercise will be agreed between the stakeholder(s) and the Procurement and Contracts Officer.
- 4.2. Ensure compliance with PCR 2015 and internal governance requirements.
- 4.3. What is the anticipated contract value? (Refer to Appendix 1 for thresholds)
- 4.4. Is the requirement for Goods, Services or Works?
- 4.5. Are the Goods / Services readily available?
- 4.6. Which procedure would be most suitable?

**5. Different Types of Procurement Procedure**

- 5.1. The best procedure to be used for each exercise will be agreed between the stakeholder(s) and the Procurement and Contracts Officer.
- 5.2. Quotations for low value and simple contracts usually concluded by placing a Purchase Order.
- 5.3. Open Tender using the Council's preferred e-Tendering portal. All suppliers expressing an interest may download the Tender Pack and submit their Tender. The process will be managed by the Procurement and Contracts Officer.

- 5.4. OJEU – If over the threshold (see [Appendix 1](#)) the process will be managed by the Procurement and Contracts Officer, in line with PCR 2015.
- Open Tender
  - Restricted Procedure
  - Competitive Procedure with Negotiation
  - Competitive Dialogue
  - Innovation Partnership
- 5.5. Other potential options are:
- Framework Agreement; An agreement which has been created to allow eligible organisations to access agreed conditions and rates, gaining the benefit of significantly increased spend.
  - Dynamic Purchasing System; similar to a Framework Agreement, but allows new qualifying suppliers to join at any time
  - Electronic Auctions; Allows suppliers to bid increasingly better rates in order to win the business. All other evaluation must be carried out beforehand.
  - Electronic Catalogue; Online catalogues may be suitable for ordering stationery or building materials from suppliers. Selected suppliers have online catalogues which the Council can use, at agreed contract rates.

## **6. Specification**

- 6.1. A specification / brief should be produced by the key stakeholder, with input from the Procurement and Contracts Officer.
- 6.2. Specifications should be performance based, with a focus on the result required, rather than how it is achieved.
- 6.3. Options for alternative solutions should be allowed. Suppliers should be encouraged to use their expertise and develop innovative ideas which could provide improved performance, service levels and reduced costs.
- 6.4. Specifications must not include details of manufacturer or model. Where new equipment is required to integrate with legacy equipment, details of the existing equipment should be provided to ensure compatibility.

## **7. Tender Pack**

- 7.1. Consideration must be given at this stage to how tenders will be assessed.
- 7.2. The split between Price and Quality should reflect their relative importance to the procurement exercise, and will usually range from 70:30 to 30:70 with a higher weighting towards price for simple procurements where there is unlikely to be much to differentiate suppliers (i.e. stationery supplies). But a higher percentage for quality where customer service is important or the products are bespoke.

- 7.3. Care must be taken to ensure the pack is fair and accurately reflects the Council's genuine requirements, allowing all qualifying suppliers to submit a bid.
- 7.4. The suite of documents may include:
- Specification
  - Instructions to Tenderers
  - Timelines for tendering, including; publication date, date for tenderer briefings, final date for questions, final date Council's response, closing date and time
  - Assessment criteria and methodology
  - Pricing Matrix (section [25](#))
  - Project timescales
  - Quality questions with weightings and scoring mechanism (section [26](#))
  - Reasons why a contract may not be awarded
  - Form of Contract to be signed, which will constitute the Agreement between the Supplier and the Council
  - Terms and Conditions which will apply (section [18](#)).

## **8. Invite Tenders**

- 8.1. Publish the Invitation to Tender on the Councils eTendering portal, including the tender pack.
- 8.2. Advertise the opportunity:
- Requirements which are over the 'OJEU Threshold' ([Appendix 1](#)) must be advertised in Tenders Electronic Daily (TED), the online version of the Official Journal of the European Union (OJEU). It is published daily throughout the EU, in 22 different languages.
  - All Procurement Exercises with a value over ([Appendix 1](#)) must be advertised on the Governments 'Contracts Finder' portal.
  - Procurement opportunities will also be advertised on Source Nottinghamshire.
  - Consideration should be given to advertising in relevant specialist trade journals.

## **9. Tender Evaluation Process**

- 9.1. Evaluation of bids must be carried out as detailed in the Invitation to Tender.
- 9.2. Evaluation of bids includes checks to ensure compliance with:
- Specification (which may include variations to meet requirements but provide improved Value for Money)
  - Conditions of Contract
  - Financial standing
  - Business compliance with regulations (as detailed in PCR 2015)

- 9.3. If the information submitted appears incomplete or erroneous, or specific documents are missing and it is believed to be a genuine error, the Procurement and Contracts Officer may request the supplier to submit or clarify the information required. Any clarifications must comply with the principles of equal treatment and transparency.
- 9.4. Tenders will be evaluated by an Assessment Panel. Assessors should review and score all compliant bids. Weighted scores from individual assessors will be combined and moderated to highlight discrepancies and agree a final score.
- 9.5. Prior to inviting tenders, if high numbers of bids are anticipated options may be considered to put non-competitive bids to one side. This will be considered by the Procurement and Contracts Officer and key stakeholder(s).

## **10. Tender Report**

- 10.1. The key stakeholder(s), working with the Procurement and Contracts Officer, will produce a report recommending award of Contract.
- 10.2. The report should outline the process used and show costs quoted, with price, quality and total scores for compliant tenders, leading to the award recommendation.

## **11. Award of Contract**

- 11.1. Following Approval of the Tender Report, award the contract to the winning tenderer, taking account of any standstill period required (to be advised by Procurement and Contracts Officer).
- 11.2. For low value / less complex requirements, the Contract may take the form of an order raised in the Council's purchasing system.
- 11.3. As the tender pack included details of the Terms and Conditions and Form of Contract etc. agreement of which formed part of the assessment and clarification, signature by both supplier and the Council should be completed within a few days.
- 11.4. The supplier should not commence Works or supply of Goods and/or Services until both parties have signed the Agreement, or received a Purchase Order.

## **12. Receive the Works, Goods or Services**

- 12.1. When Goods or Services are received and/or Works completed (including by agreed stages) receipt the Purchase Order (if used) and/or notify the respective Business Support team to ensure the supplier's invoices can be paid when correctly presented.

**13. Pay for the Works, Goods or Services**

- 13.1. The respective Business Support team will make arrangements to pay invoices which have been correctly presented by the supplier and confirmation of receipt has been received (Note: the budget has already been confirmed at stage 2.7).

**14. Contract Management**

- 14.1. Day-to-day contract management will be carried out by the Key Stakeholder(s) or their delegated representative and the suppliers Contract Manager to an agreed frequency. This will focus on operational issues and ensure the smooth running of the Contract. Any issues arising should be escalated to the Procurement and Contracts Officer and the respective Head of Service.
- 14.2. Strategic contract Management will be carried out by the Procurement and Contracts Officer and the appropriate Head of Service and senior managers from the Supplier. This will involve a review of both the supplier's and the Council's performance, to identify any areas where efficiencies can be made, ways of working, materials used, communication etc.
- 14.3. As part of the strategic contract management, Value Engineering sessions may be used to improve service provision or reduce costs.
- 14.4. Any benefits realised from ongoing contract management should be shared between the parties, in order to encourage future co-operation and improvement.

**15. Contract Ownership**

- 15.1. Stakeholders should have a 'day to day' working relationship with suppliers, whilst Procurement 'own' the Contract on behalf of the Council and the strategic relationships with suppliers.
- 15.2. Prior to extending existing contracts, or tendering new contracts, Procurement and the Key Stakeholder will review performance of the contract and suppliers as part of the process of identifying a need for a procurement exercise.

**16. Health and Safety**

- 16.1. The Council will not work with organisations that are unable to meet minimum standards of Health and Safety for: the general public, the Council and its employees and its own employees. The Public Service Procurement: Health and Safety checklist published by IOSH should be used for guidance.
- 16.2. Individual projects may require Risk Assessments and Method Statements depending on the perceived risks.

**17. Data Protection Act**

- 17.1. The Council must comply with the Data Protection Act 2018 (DPA). Any contract awarded by the Council is subject to the DPA.
- 17.2. The Council as Data Controller under the DPA will require a Data Protection Impact Assessment prior to any data processing taking place. The Council may require its suppliers to provide evidence that they comply with the Data Protection Legislation.

**18. Terms and Conditions**

- 18.1. There is a wide selection of Conditions of Contract which are available for a variety of different procurements. The most appropriate form of Contract for each procurement exercise will be determined by the Key Stakeholder in consultation with the Procurement and Contracts Officer:
- JCT
  - NEC
  - General Goods and Services
  - Purchase of Software
  - Hire

**19. Legal**

- 19.1. All Contract documentation must be agreed with the Head of Legal Services prior to publishing to ensure it is acceptable to the Council.
- 19.2. Invitation to Tender (ITT) documents should include details of the Terms and Conditions the Council proposes to use for the Contract. Any negotiation of Terms and Conditions must be carried out as part of the evaluation / due diligence process as changes could affect the competitiveness of a bid compared to others. Conditions of Contract must be fully agreed prior to award. This then ensures Contracts can be awarded, signed and mobilised swiftly and efficiently.

**20. Ethical Policies**

- 20.1. The Council will maintain the highest values and ethical standards including honesty; integrity; fairness; transparency; and equal opportunity.

**21. Discrimination**

- 21.1. All procurement exercises must comply with the relevant legislation and the Council's own policies. Suppliers must confirm that they will meet or better any requirements in the Council's policy.

**22. Equality and Diversity**

- 22.1. All procurement exercises must comply with the relevant legislation and the Council's own policies. Suppliers must confirm that they will meet or better any requirements in the Council's policy.

**23. Modern Slavery Act**

- 23.1. The Council must comply with the Modern Slavery Act 2015 (MSA). In order to ensure its own compliance, the Council will not award any Contract to an organisation which does not also fully comply with all the requirements of the MSA. In addition, Suppliers must ensure their supply chains also comply.

**24. Evaluation Criteria**

- 24.1. Wherever possible, quality aspects should be considered as well as price. This will enable a Value for Money calculation to be made which covers the life of whatever is being procured.
- 24.2. How a procurement exercise will be evaluated must be determined at the outset. The evaluation process and criteria must be transparent, robust and ensure fair and equal treatment of all bidders and designed to ensure the Council obtains Value for Money.
- 24.3. A pricing matrix should be produced to ensure all bidders quote for the same items, which should include delivery, commissioning, training etc. Anticipated volumes should be included to indicate the size of the intended arrangement. These can then be multiplied by item prices to show the total values, which can then be compared with other bids. For example:

Item	Description	Estimated Annual Volume	Price (per unit)	Total Price
1	Widget A	1	£10	£10
2	Widget B	10	£5	£50
3	Widget C	100	£2	£200
4	Widget D	1,000	£1	£1,000
<b>TOTAL</b>				<b>£1,260</b>

- 24.4. Where qualitative elements are to be assessed, clear questions should be devised to allow suppliers to demonstrate their competence, and allow assessors to differentiate between the different bids. Good planning at the outset and devising questions which are challenging and useful makes the latter stages of the process much simpler and helps to ensure a robust process. Questions for example in relation to Management Information where the answer could be 'We can provide whatever you require.' do not help in determining the best supplier. Too many questions will dilute the effectiveness of the process by spreading the available points across a wider field.

24.5. Criteria used to evaluate bids must be wholly relevant to the procurement exercise being undertaken and the weightings must reflect their relative importance to the Council and be clearly shown.

**25. Lifetime Costs Criteria:**

25.1. For key procurement exercises the Council will understand and incorporate into our evaluations, costs which are likely to be incurred over the contract lifetime. This will allow more robust comparisons of the different solutions offered to ensure the Council obtains maximum Value for Money.

25.2. Costs may include:

- Purchase price, including annual cost uplifts
- Delivery charges
- Delivery timescale (financial impact of early / late delivery)
- Commissioning costs
- Life expectancy
- Anticipated reliability based on validated 'Mean Time Between Failure' data
- Cost of maintaining the service during any 'down time'
- Maintenance / servicing costs
- Frequency of maintenance requirements
- Potential access difficulty and inconvenience to stakeholder
- Cost of spare parts
- Call out times for emergency repairs
- Running costs – consumption of energy and other resources
- Training
- Upgrade costs
- Cost of emissions
- Insurance costs
- Potential cost for damage rectification (especially if likely to be prone to vandalism or accidental damage etc.)
- Decommissioning costs
- Residual value
- Cost of migrating data to an alternative supplier at the commencement / end of the contract.

**26. Quality Criteria**

26.1. Other Criteria which may be considered which relate to the tenderer's ability to provide the Goods / Services / Works:

- Health and safety of employees, client and third parties (pass/fail). The Council will not award work to suppliers who cannot meet the standards detailed in its specifications
- Quality
- Environmental impact (initial and ongoing)

- Technical Competence and Professional Ability
- Qualifications
- Timeliness – Start / Finish requirements
- Availability of spare parts
- Potential obsolescence
- Compatibility with existing legacy or planned infrastructure / equipment
- Design capability
- Performance / efficiency of the Goods / Services / Works (standards)
- After sales support
- Backup – help desk, service engineers, spare parts
- Staff training and qualifications
- Speed and effectiveness of problem resolution
- Proposed performance measurement KPIs
- Ideas to improve efficiency and reduce cost
- Innovation – continuing R&D
- Opportunity to develop new improved products and processes
- Organisation suitability
- Economic and Financial strength (may be assessed by an independent organisation i.e. Dunn & Bradstreet)
- Professionalism of Directors
- Membership of professional bodies – technical expertise / certification
- Insurance cover (Pass / Fail)
- Ability to respond rapidly if required - Location
- Corporate Social Responsibility (section [28](#))

## **27. Post Tender Negotiation**

- 27.1. Post Tender Negotiations may be required, when prices tendered exceed the available budget, to confirm financial commitments or other terms contained in the tender, or to ensure the Council obtains Value for Money. Approval should be obtained from the Deputy Chief Executive or the appropriate Committee following a recommendation from the Procurement and Contracts Officer or his nominated representative.
- 27.2. Post Tender Negotiations should be carried out after tenders have been received and evaluated, with the tenderer identified as having submitted the tender presenting the best 'Price – Quality' score in accordance with the published award criteria, provided this:
- does not materially modify essential aspects of the tender or of the public procurement, including the needs and requirements set out in the contract notice or in the Invitation to Tender; and
  - does not risk distorting competition or causing discrimination.
- 27.3. Wherever possible negotiations should follow the process of Value Engineering to improve efficiencies, add value and drive out unnecessary costs. Specifications may need to be reviewed and adjusted to meet the available budget.

**28. Corporate Social Responsibility (CSR)**

- 28.1. A missed opportunity to deliver Social Value is a cost that has to be absorbed elsewhere in Public Services so the Council will ensure all major procurements explicitly evaluate social value (where appropriate), rather than just considering it. <http://socialvalueportal.com/national-toms/>
- 28.2. To ensure the Council obtains Social Value from its key procurement exercises, we will use the National TOMs (Themes Outcomes and Measures) Framework 2018 Calculator in our procurement exercises. The calculator will be used to give a monetary value to social elements, allowing easy and robust comparison of different tenders.
- 28.3. The five themes are as follows:
- Jobs - Promoting Skills and Employment.
  - Growth - Supporting the Growth of Responsible Regional Businesses:
  - Social - Creating Healthier, Safer and More Resilient Communities:
  - Environment - Protecting and Improving our Environment:
  - Innovation - Promoting Social Innovation:
- 28.4. In order to maintain or improve Social Value in the face of reducing Council spend we will use the following “four opportunity levers” to increase the social value in our contracts:
- How the procurement process is run;
  - The way solutions are designed;
  - The suppliers chosen; and
  - The contract award criteria.

**29. Due Diligence**

- 29.1. Contracts should be examined to ensure they are robust and sustainable. It is in nobody’s interest to award a Contract which subsequently fails.

**30. Sustainability Policies**

- 30.1. Contracts awarded will be consistent with the Council’s Environmental Policy.

**31. Technology**

- 31.1. Procurement will always endeavour to use the most appropriate technology and software to manage the tender process and manage contracts through their lives. This includes:
- E-Tendering portals which allow tender opportunities to be published with easy and free access for businesses and secure vaults to hold tenders until the closing date and time.

- E-Auction portals allowing suppliers to bid their best prices in a live auction environment.
- On line catalogues published by suppliers.
- Accountancy systems allowing extraction of data for analysis to identify areas of spend.
- Standard Office software to analyse data and maintain databases.
- Cloud hosted systems.

## **Appendix 1 - Procurement Values**

### **Public Contracts Regulations 2018**

All aggregated requirements which exceed these values must follow the full 'OJEU' process. This will be managed by Procurement.

OJEU Threshold' Values for Public Sector contracting Authorities, applicable from 1 January 2018 to 31 December 2019 are:

Supplies	£181,302
Services	£181,302
Works	£4,551,413

### **Transparency Publication Requirements**

Information must be published on the Council's website in full every quarter for;

- Details of every invitation to tender for contracts to provide goods and/or services with a value that exceeds £5,000.
- Details of any contract, commissioned activity, purchase order, framework agreement and any other legally enforceable agreement with a value that exceeds £5,000.

Data from all departments will be consolidated and published by Procurement.

### **Contracts Finder Portal**

It is a Government requirement that all procurement exercises over **£25,000** are published on its 'Contracts Finder' portal.

### **Source Nottinghamshire**

All procurement exercises should also be advertised on Source Nottinghamshire.

### **Aggregated Annual Expenditure**

Contracts should be actively developed for categories where aggregated annual expenditure exceeds £100,000. Contracts should also be developed for categories with a lower spend, which are strategically important to the Council.

<b>Classification</b>	<b>Value</b>	<b>Actions</b>	<b>Responsibility</b>
Very Low Value	Below £1,000	Ensure value-for-money	Unit Manager
Low Value	From £1,000 to £25,000	Obtain three quotations (Note)	Unit Manager
Medium Value	From £25,000 to OJEU threshold	Conduct Tender exercise	Procurement
Above Threshold	Over OJEU threshold	Conduct Tender exercise	Procurement

*Note: The relevant Chief Officer can decide if quotations are needed and/or are appropriate in order to demonstrate value for money.*

## **Appendix 2 - Glossary**

### **Key Documents**

- The Public Contracts Regulations 2015 (PCR 2015)
- National Procurement Strategy for Local Government in England 2018
- Public Services (Social Value) Act 2012
- GDPR 2016
- Freedom of Information Act 2000

### **Recognised Standards**

- ISO9000 – Quality Management
- ISO11200 – Crisis Management
- ISO14000 – Environmental Management
- ISO22301 – Business Continuity Management
- ISO26000 – Social Responsibility
- ISO27001 – Cyber security
- ISO31000 – Risk Management
- ISO45001 – Occupational Health & Safety Management

### **Organisations**

- CCS Crown Commercial Service (Central Government)
- CHAS Contractors Health & Safety assessment scheme
- CIPS Chartered Institute of Purchasing & Supply
- Consortium Procurement (Previously National Housing Consortium (NHC))
- EEM Efficiency East Midlands
- ESPO Eastern Shires Purchasing Organisation
- FSC Forest Stewardship Council
- LGA Local Government Association
- NEPO North East Procurement Organisation
- PfH Procurement for Housing
- YPO Yorkshire Purchasing Organisation

### **Other Terms**

- BME Black & Minority Ethnic
- ITT Invitation to Tender
- KPIs Key Performance Indicators
- MEAT Most Economically Advantageous Tender
- OJEU Official Journal of the European Union
- PQQ Pre-Qualification Questionnaire
- SEP Social Enterprise Partnership
- SME Small to Medium size Enterprise
- TED Tenders Electronic Daily (OJEU)
- VFM Value for Money
- VCSE Voluntary, Community and Social Enterprise (Third sector)
- WRAP Waste and Resources Action Programme

### **Council - Documents**

- Safety Policy Statement of Intent
- Environmental Policy
- Equalities Policy Statement

***Appendix 3 – Potential Evaluation Questions***

- How will you ensure continuing Value for Money over the life of the Contract?
- How will you ensure this Contract continues to be sustainable over its lifetime?
- What innovative ideas do you have which will: a) improve service levels, b) increase efficiencies and c) reduce costs?
- How would you manage a sudden significant increase in our requirements?
- How do you ensure your staff are able to provide the best possible service?

**Appendix 4 - Process Timescales**

This assumes all work is conducted electronically via an e-Tendering portal.

**Open Tender Process**

Stage	Pre Tender	Tender	Evaluation	Award
Actions	Agree Strategy and Contract Conditions	Respond to questions from Tenderers	Assess Tenders using Evaluation Model	Committee approval if required
	Develop Evaluation Model			
	Develop Specification			
	Produce Documentation			
Days	20	30	10	10

**Restricted Two Stage Tender Process**

Stage	Pre Tender	Qualification	Evaluation
Actions	Agree Strategy	Respond to questions from Interested Parties	Assess Responses
	Develop Evaluation Model		
	Develop Specification		
	Produce Documentation		
Days	20	30	10

Stage	Pre Tender	Tender	Evaluation	Award
Actions	Agree Contract Conditions	Respond to questions from Tenderers	Assess Tenders using Evaluation Model	Committee approval if required
	Develop Evaluation Model			
	Develop Specification			
	Produce Documentation			
Days	5	30	10	10

***Appendix 5 – Key Priorities and Action Plan*****Key Priorities – Procurement and Contracts Officer****Procurement – Contracts Register**

Work with Chief Officers and Heads of Services, in conjunction with the Legal Department, to ensure that there is a transparent register of contracts and a robust retendering work schedule covering all significant value transactions (and strategically important) for all Council activities.

**Refresh the Procurement and Commissioning Strategy**

Develop and advise on procurement, commissioning and contract management strategies. Identify opportunities for better procurement and to develop modern procurement and contract management practices, incorporating Public Contracts Regulations (PCR) 2015.

**Review of Constitution – Financial Regulations (Contract Standings Orders)**

Support the review of the Constitution and undertake a ‘root and branch’ review of Contract Standing Orders to ensure that these remain fit for purpose and effectively support procurement activity and incorporating the requirements of the PCR 2015.

**Contracts Management**

Ensure and develop corporate adherence to best practice contract monitoring procedures to ensure that contractors are achieving and evidencing key tasks, outcomes and performance targets set by the Council and have the appropriate work programmes to support them.

**System Development**

Develop the e-procurement and contract management systems, including testing and implementation, liaising with commissioners/ suppliers resolving queries and providing user training.

**Action Plan**

<b>Action</b>	<b>Responsible</b>	<b>Target Date</b>
1. Produce draft Procurement and Commissioning Strategy and present to GMT	Procurement and Contracts Officer	Completed
2. Present Strategy to Policy and Performance Committee for consideration and approval	Procurement and Contracts Officer	July 2019
3. Brief Senior Management Team on the new Procurement and Commissioning Strategy	Deputy Chief Executive Procurement and Contracts Officer	w/c 8 July 2019

Action	Responsible	Target Date
4. Brief lead officers with operational responsibility for procurement on the new Procurement and Commissioning Strategy	Heads of Service Procurement and Contracts Officer	w/c 15 July 2019
5. Engage with local business, especially SME's via the Beeston Business Network.	Procurement and Contracts Officer	December 2019
6. Develop a procurement e-Learning package for officers and managers	Procurement and Contracts Officer Training section	December 2019
7. Monitor progress with the Strategy and Action Plan. Update to reflect any changes in legislation and/or Financial Regulations (Contract Standing Orders).	Deputy Chief Executive/GMT Procurement and Contracts Officer Legal Services	Quarterly
8. Liaise with senior management to provide procurement advice and support to ensure compliance with regulations.	Heads of Service Procurement and Contracts Officer	Ongoing
9. Engage with Deputy Chief Executive and senior management to provide timely and effective procurement support on major new capital projects (e.g. Beeston Town Centre redevelopment)	Senior Management Procurement and Contracts Officer	As required
10. Monitor the corporate Contract Register, measuring compliance as a performance metric and identifying and initiating any required procurement exercises.	Procurement and Contracts Officer	Weekly
11. Conduct periodic 'spend analysis' to establish spending by category, identify spending 'off-contract' and resolving accordingly.	Procurement and Contracts Officer	Six monthly
12. Develop strategic Contract Management strategies for key contracts, working with the respective Heads of Service to implement.	Procurement and Contracts Officer Heads of Service	Ongoing
13. Develop operational Contract Management strategies for existing contracts and work with lead managers to implement	Procurement and Contracts Officer Contract Managers	Ongoing
14. Liaise with the Head of Finance Services and Chief Accountant to ensure efficient 'B2B' processes (business-to-business i.e. ordering, receipting, invoicing, payment etc.)	Procurement and Contracts Officer Chief Accountant	December 2019