



EAST STAFFORDSHIRE BOROUGH COUNCIL

REPORT COVER SHEET

Title of Report:	Procurement Strategy 2016-2019
Meeting of:	Cabinet
Date:	18 th April 2016
Is this an Executive Decision:	NO
Is this a Key Decision:	NO
Is the Report Confidential:	NO
If so, please state relevant paragraph from Schedule 12A LGA 1972:	N/A

Essential Signatories:

ALL REPORTS MUST BE IN THE NAME OF A HEAD OF SERVICE

Monitoring Officer: **Angela Wakefield**

Date Signature

Chief Finance Officer: **Sal Khan**

Date Signature

OPEN

EAST STAFFORDSHIRE BOROUGH COUNCIL

Report to Cabinet

Date: 18th April 2016

REPORT TITLE: Procurement Strategy 2016-2019

PORTFOLIO: Finance

HEAD OF SERVICE: Sal Khan

CONTACT OFFICER: James Abbott Ext. No. x1244

WARD(S) AFFECTED: Non-specific

1. Purpose of the Report

1.1. To provide an overview of the Council's updated Procurement Strategy for 2016-2019 (Appendix 1).

2. Background

2.1. The previous Procurement Strategy required revision following the introduction of the Public Contracts Regulations 2015. The Regulations implement the 2014 EU Public Sector Procurement Directive, and other reforms recommended by Lord Young of Graffham aiming to make public procurement more accessible.

3. Contribution to Corporate Priorities

3.1. The Procurement Strategy contributes directly to the Council's priorities of Value for Money Council Services and Promoting Local Economic Growth, and indirectly to Protecting and Strengthening Communities.

4. Procurement Strategy 2016-2019

4.1. Background

4.1.1. Like all local authorities East Staffordshire Borough Council is required to procure and commission a wide range of goods, services and works to support its activities. Whether it is called procurement, commissioning,

purchasing, contracting or buying, East Staffordshire Borough Council spends millions of pounds a year on obtaining a range of goods, services and works from the external market.

4.1.2. The Procurement Strategy represents East Staffordshire Borough Council's procurement and commissioning aims and objectives for the next three years. This strategy will develop as the modernisation of procurement and commissioning takes place, and it will incorporate changes in structures, methods and techniques designed to meet the varying requirements of the Council.

4.1.3. This strategy provides a common framework within which all procurement and commissioning activities undertaken by the Council are to be managed.

4.2. Vision

4.2.1. The vision for this strategy is *“to concentrate on local services, ensuring accessibility of contracts to small and medium sized enterprises, and allow continuous provision of Value for Money Council services, through consideration of all appropriate procurement and delivery models, including partnership working with other public agencies and the third sector to improve our local way of life”*.

4.3. Principles

4.3.1. The Strategy's vision incorporates a commitment to improving accessibility of contracts to small and medium sized enterprises and community and voluntary organisations, echoing a commitment to this at a national level, in addition to increased emphasis on evidence based analysis of the procurement and delivery model of the function in question.

4.3.2. The Council's Corporate Priorities of “Promoting Local Economic Growth” and delivering “Value for Money Council Services” are also inherent in this vision.

4.3.3. This revision of the Procurement Strategy centres on a focus towards the following principles:

4.3.4. **Forward Planning** - To achieve value for money and avoid duplication of contracts and ensure that a tender process is carried out within a timely manner, all contracts should be added to the Council's Contract Register. By having an up to date Contracts Register will also support the Council's commitment to delivering the Government's openness and transparency agenda. Analysis of business need and procurement or commissioning models should be planned and undertaken in a timely manner.

- 4.3.5. **E-Procurement** - E-procurement can improve and streamline the procurement process, improve communication and provide cost savings. Adoption of modern procurement tools will free up expertise from the more mundane tasks for use in these more complex aspects. This also assists the collation of the electronically published contracts register. European guidance is stipulating that member states mandate electronic tenders by 2018.
- 4.3.6. **Increased focus on below tender threshold procurement** - The Council will look to continue to improve on our current arrangements by reviewing the recently deployed Quick Call system's usage and effectiveness. We will also undertake spend analysis to identify and achieve savings targets for below threshold spend.
- 4.3.7. **Performance Management and Controls** - To mitigate the risk of inadequate contract management and inefficient procurement exercises, services and departments should ensure that appropriate staff resource and technical capability are allocated to the procurement exercise to liaise with the Programmes and Transformation Team throughout the process. Procuring officers should also liaise with the Financial Management and Legal teams at the outset. It is also essential for managers to manage the performance of suppliers in respect of an awarded contract.
- 4.3.8. **Promoting Local Economic Growth** - The Council recognises its responsibilities to local communities. Local business and small and medium sized enterprises should be able to compete for work alongside contractors from outside the area and larger organisations. It is important to ensure that in any procurement or commissioning process, the selection phase is made as simple as possible and proportionate to the scale and complexity of the contract.
- 4.3.9. **Ethical Procurement** - We will continue to promote equality and diversity and consider equalities in setting selection criteria for procurement and commissioning activities, where appropriate, being mindful of the objectives set out in the Council's Single Equality Scheme. Notwithstanding the issue that we need to work to best value we will introduce ethical considerations into our contracts where appropriate and increase its awareness and importance of related issues with suppliers.

5. **Financial Considerations**

This section has been approved by the following member of the Financial Management Unit: Lisa Turner

5.1.1. There are no financial issues arising from this Report.

6. Risk Assessment and Management

6.1. The main risks to this Report and the Council achieving its objectives are as follows:

6.2. **Positive** (Opportunities/Benefits):

6.2.1. The Strategy contributes to reducing financial risk through providing a strategic direction for securing Value for Money via effective procurement.

6.2.2. The Strategy contains a detailed section on risk management and the key stages in which risk should be considered in order to minimise the impact on achieving the Council's objectives.

6.3. **Negative** (Threats):

6.3.1. Failure to adhere to the strategic direction and associated actions could result in ineffective or inefficient procurement or commissioning.

6.4. The risks do not need to be entered in the Risk Register. Any financial implications to mitigate against these risks are considered above.

7. Legal Considerations

*This section has been approved by the following member of the Legal Team:
Angela Wakefield*

7.1. There are no significant legal issues arising from this Report.

8. Equalities and Health

8.1. **Equality impacts:** The subject of this Report is a policy, strategy, function or service that is new or being revised. An equality and health impact assessment is attached as Appendix 1.

8.2. **Health impacts:** The outcome of the health screening question requires a full Health Impact Assessment to be completed. An equality and health impact assessment is attached as Appendix 1.

8.3. The main equality or health issues arising from this Report are as follows:

Equality Impacts			
	Positive Impact	Negative Impact	Comments
Age			i. <i>[No impact identified]</i>
Disability		✓	ii. People with visual impairments may have difficulty accessing online forms or submitting online tenders.
Sex / gender reassignment / pregnancy or maternity			iii. <i>[No impact identified]</i>
Race			iv. <i>[No impact identified]</i>
Religion or belief			v. <i>[No impact identified]</i>
Sexual orientation			vi. <i>[No impact identified]</i>
Other	✓ ✓ ✓	✓	vii. All adverts and access to tender documents is online allowing direct, unrestricted access to documents at all times. viii. As ESBC advertises all tendered contracts, and receives tender submissions via online means only, organisations without internet access may experience difficulty tendering. ix. Tendering processes have been revised to facilitate easier access to contracts by SMEs. x. The revised tender processes provide scope for the Council to ensure compliance with Equality Legislation ahead of suppliers being awarded contracts.

Health Impacts		
Will the subject of this EHIA:	No (provide a brief explanation of your response)	Yes (Is this impact positive or negative? provide a brief explanation of your response)
Have a direct impact on health, mental health and wellbeing?		✓ [Positive Impact] Through Promoting Local Economic Growth via local procurement and accessibility to SMEs the well being of residents in the area is contributed to. ✓ [Positive Impact] Social, economic and environmental factors are embedded in the Corporate Priorities. The strategy ensures sound procurement of effective services in line with the Priorities.
Have an impact on social, economic and environmental living conditions that would indirectly affect health?		
Have an effect on an individual's ability to improve their own health and wellbeing?		
Affect access to, and the quality of, health, mental health or wellbeing services?		

8.4. The equality and health impact assessment identified the following actions to be carried out:

Is it a Health or Equality action?	Issue/impact identified	Recommendation/Action required	Lead officer and timescale	Resource allocation
Equality Action	People with visual impairments may have difficulty accessing online forms or submitting online tenders.	Engagement with suppliers to highlight the message that online procurement is becoming necessary; through publication of tendering procedures and Council attendance at “Meet the Buyer” events. Ensure that Web Accessibility Initiative standards are considered in the Council’s E-procurement portal contracts.	Programmes and Transformation Team Leader [Ongoing]	Officer time
Equality Action	As ESBC advertises all tendered contracts, and receives tender submissions via online means only, organisations without internet access may experience difficulty tendering.	Engagement with suppliers to highlight the message that online procurement is becoming necessary; through publication of tendering procedures and Council attendance at “Meet the Buyer” events.	Programmes and Transformation Team Leader [Ongoing]	Officer time

9. Human Rights

9.1. There are no Human Rights issues arising from this Report.

10. Sustainability (including climate change and change adaptation measures)

10.1. Does the proposal result in an overall positive effect in terms of sustainability (including climate change and change adaptation measures) **Yes**

10.2. Please detail any positive/negative aspects:

10.2.1. Positive (Opportunities/Benefits)

10.2.1.1. The strategy details a commitment to sustainability and supports the Council’s Climate Change Strategy 2013 vision of considering “green” or “sustainable” procurement.

10.2.1.2. The strategy details a commitment to local purchasing in order to promote local economic growth.

10.2.2. Negative (threats)

10.2.2.1. None identified.

11. **Recommendation(s)**

11.1. To adopt the Procurement Strategy

12. **Background Papers**

12.1. None

13. **Appendices**

13.1. Appendix 1: Procurement Strategy

13.2. Appendix 2: Equality and Health Impact Assessment.