



Braintree District Council

**Procurement Strategy
2014 - 2017**

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See also:

Constitution

Financial Regulations

1. Introduction

1.1 The local government procurement landscape is changing; this strategy document aims to clarify Braintree District Council's approach to Procurement activity within this changing landscape.

1.2 Since the last strategy was adopted in 2009 a number of new external influences have been taken into account, including:

- Public Contract Regulations (2009 Amendments)
- Equalities Duty Act (2010)
- Localism Act (2011) including Community Right to Bid and Community Right to Challenge
- Public Services (Social Value) Act (2012)
- The current draft of the National Procurement Strategy (due to be operational from mid-late 2015)

1.3 A number of internal drivers have also been taken into account, including:

- The Medium Term Financial Strategy 2014 – 2018 and Budget 2014/15, which set the framework for a balanced budget over the medium term (3 years) and short term (1 year). Delivering these forecasts requires, amongst other things: delivering real efficiencies, including through improved procurement and sourcing decisions and through improved procurement processes and financial controls.
- Braintree District Council's Climate Change Strategy and Emerging Climate Local Strategy and Green Travel Plan are directed towards reducing the Council's carbon footprint.
- Braintree District Economic Development Prospectus. The Prospectus, launched in 2013, sets out how the Council intends to create the conditions for economic growth and deliver a prosperous Braintree District from 2013 to 2026.

1.4 Ultimately we want to demonstrate that through best practice procurement activity we can continue to deliver best value goods, works and services for the district. 'Best value' procurement needs to consider not just financial factors but deliver the right balance of financial, quality, social and environmental returns. To achieve this objective we need to:

- Focus on 'Best Value' outcomes
- Simplify Procurement processes for the suppliers and Council alike
- Maximise the use of our professional procurement resources
- Maximise innovative sustainable and collaborative solutions
- Increase supplier market engagement and visibility to provide more opportunities for participation by local and SME suppliers

2. Purpose of the Strategy

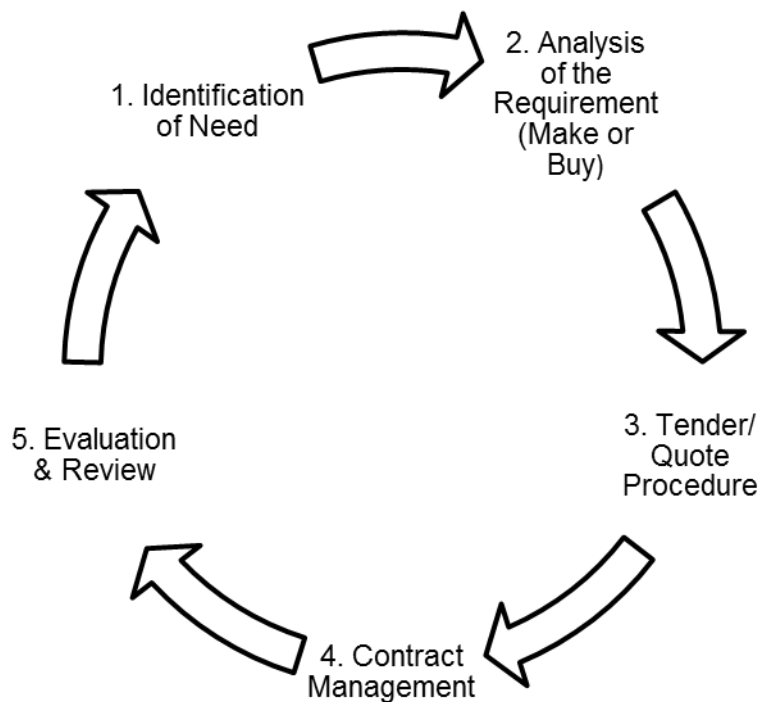
2.1 Braintree District Council spends a significant sum of money with external suppliers. In 2014/15 Braintree District Council has set budgets to spend some £30.3m in revenue expenditure and a further £8.5m in capital expenditure on goods, works and services in both directly supporting the work of the Council and also in providing services to our residents, visitors and businesses. The next few years are likely to see a reduction in this spend to reflect national and local budget reductions so value for money is increasingly important.

2.2 This Strategy will define the objectives procurement will focus on, how these objectives relate to the Corporate Strategy and identifies the actions that we will take and the principles we will follow to maximise value from our procurement spend.

3. What is Procurement?

3.1 Procurement is not just a transactional function; it is much more than a narrowly-based technical issue.

3.2 'Procurement' is the complete process of acquiring goods, works and services. The process by which we acquire can be summarised below:



3.3 The cyclical process/approach is often defined as commissioning or strategic procurement. The time and effort spent on each stage of the process will differ, depending on the value and importance of the requirement to the organisation.

3.4 Competitive procurement remains the cornerstone of the Council's procurement approach but there will be circumstances where a direct contract with a sole supplier will be appropriate.

4. The Council's Corporate Strategy

4.1 The Procurement Strategy supports the Corporate Strategy (2012-16). At a general level, procurement of goods, works and services assists in delivering the Council's strategic objectives and statutory responsibilities. At a specific level, this procurement strategy is designed specifically to support the Council's objectives of:

- **Place:**

by ensuring procurements reflect relevant sustainability and environmental issues and ensure procurement processes support and reflect the aim of protecting our environment for future generations.

- **People:**

by ensuring procurement guidance is clear and simple and that relevant contracts are advertised and accessible to all. The procurement processes used do not unfairly limit the opportunity to bid for Social Enterprises/Third Sector organisations.

- **Prosperity:**

by encouraging an effective local supplier market and the promotion of local social value in contracts (such as the creation of apprenticeships and local supply chains).

- **Performance:**

by aiming to ensure each procurement encapsulates the best value solution for the district. Using the procurement cycle to assist in identifying improvements to services and support the delivery of value for money services. To eliminate anything that does not add value to the procurement.

- **Partnerships:**

by working closely with partner organisations such as the Essex Procurement Hub Members, East of England LGA, and the Procurement Agency for Essex and other partnership groups to deliver savings and efficiencies through collaboration.

5. The Vision for Procurement

5.1 The vision for Procurement is to enable the Council to procure what it needs to deliver the best services possible for the financial and other resources available. In order to deliver this Best Value we have set out a number of key objectives.

Objective 1: Simplification

To streamline procurement and simplify processes. To remove real or perceived barriers to trade, improve access to opportunities and provide easy to follow guidance to Council officers and to suppliers.

Objective 2: Use of Resources

Maximise procurement performance by utilising professional procurement resources. Recognise the value of analysing the full procurement cycle and in particular, contract management. To standardise, communicate and embed a professional procurement approach across the Council.

Objective 3: Innovation

To consider innovative solutions to supply by developing outcome based specifications. Consider collaborative procurement and new routes to market. To test the market and engage with the supply base to utilise market knowledge and help inform procurements from an early stage.

Objective 4: Community

To support and encourage a vibrant local supplier market, remove barriers to trade for small to medium enterprises and voluntary organisations (such as splitting larger requirements into Lots) and giving appropriate consideration to Social Value.

An Action Plan has been included within Appendix 1 that sets out specific tasks to support the objectives.

6. Delivering the Objectives

This section explains how we will conduct our procurement activity and what resources we will use to deliver the key objectives.

6.1 The Essex Procurement Hub

Since September 2006 Braintree District Council has led the Essex Procurement Hub. This shared service provides procurement expertise to six Essex district/borough councils (as at April 2014). The Council will increase its use of the expertise held within the shared resource to lead and promote efficiency in procurement processes.

6.2 Value for Money

The main aim of procurement is to achieve value for money. We will achieve this by:

- challenging the way things are done and the way services are provided, with a focus on outputs and outcomes
- encouraging collaboration with other Essex Procurement Hub members and the wider public sector to take advantage of increased purchasing power
- taking into account the potential impact of a sustainable approach and balancing price with quality (by using 'whole life costs')

6.3 Partnership and Collaboration

We will work with other organisations to help us improve efficiency and to gain access to other areas of expertise. This may include collaboration, partnering and/or the use of consortia arrangements.

6.4 Regulatory Framework

Procurement has to work within a number of controls including EU legislation and internal governance procedures.

The key control over procurement activities is the Council's Contract Procedure Rules as set out in the Constitution. These rules are set at levels to ensure value for money can be achieved and that decision-making can be taken at practical levels.

The Council will ensure that our procedure rules continue to be relevant and are compliant with EU regulations. The Council will hold the highest principles of fairness, transparency and openness within all procurement activity.

6.5 Local Trade

The Council will support businesses local to the Braintree district through a range of initiatives, whilst maintaining the requirement to be fair and non-discriminatory, which include:

- Making it simpler to do business with the Council;
- Have regard to the impact on small/local firms of the way in which a procurement is structured;
- Providing clear information about selling to the Council on our website;
- Provide feedback to bidders to support the development and overall competitiveness of these organisations.
- Providing information where it can about potential sub-contract opportunities arising from major Council procurements.

6.6 Social Value

The Social Value Act requires service related procurements over the EU threshold to consider social value. The act requires considerations to be proportionate and relevant to the particular requirement therefore where appropriate, the Council will use the full procurement cycle to consider how to improve the economic, social and environmental well-being of the district.

Considerations can be built in to the procurement process and could include adapting evaluation criteria or a requirement for contractors to support an apprenticeship scheme.

6.7 Equality

Procurement processes and documentation will reflect the Council's Equalities and Diversity Policy.

The Council will work with partners and suppliers to ensure that suppliers are, as a minimum, compliant with the relevant legislation, both at the inception of contracts and through their effective life.

6.8 Safeguarding and Health & Safety

All services commissioned by the Council are required to operate within the requirements of the Council's Safeguarding Children and Vulnerable Adults policy. Where relevant, contractors will need to demonstrate that they meet these requirements.

Procurement activity will be treated proportionately to the health and safety risks which arise from the contract. Potential risks will be assessed and contractors must provide evidence to demonstrate that their organisation actively promotes and manages health and safety.

6.9 Sustainability

Any procurement decision will aim to minimise harm to the environment and to promote conservation of natural resources.

6.10 Forward Planning

Forward Planning, particularly of major expenditure, is essential to maximise the potential savings through efficient and effective procurement.

- Forward planning will be a key focus within the procurement cycle, particularly within the 'contract management', 'identification of need' and 'analysis of the requirement' stages.
- The management of a central contracts register will allow the Council to forecast requirements more efficiently.
- Specifications where possible should be output based. Output based specifications will allow greater flexibility of design and support innovation throughout the supply chain.

Planning annual procurement activity in advance will enable the Council to become a more efficient buyer of goods, works and services.

6.11 Relationships with Suppliers

Effective procurement is measured by the outcomes and not by the completion of the process.

- Contracts will be managed throughout their life to ensure that the benefits identified in the business case are delivered. Regular review meetings with incumbent suppliers are crucial in ensuring that set Key Performance Indicators and Service Level Agreements are achieved and maintained.
- The Council will expand the use of contract management and build on areas of current best practice.
- Risk registers shall be prepared for all major procurement processes in accordance with the Risk Management Strategy and will be revisited at key milestones in the procurement process and throughout the life of the contract.
- When suppliers and contractors handle information on behalf of the Council, where possible, we will ensure that equivalent standards are applied or seek to influence our supplier's and contractor's standards.

6.12 Data Protection

The Council will expect Contractors to have appropriate information/data handling policies/procedures in place to handle confidential and commercially sensitive information, including personal and sensitive data, to ensure compliance with the Data Protection Act 1998.

6.13 Information Requests

Braintree District Council is a relevant authority for the purpose of the Freedom of Information Act 2000 and the Environmental Information Regulations 2004. The Council will expect that Contractors will support and assist the Council in discharging its obligations in responding to requests for information under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004.

6.14 e-Procurement

To support the delivery of this strategy the Council will continue to utilise electronic procurement systems. Electronic procurement systems can achieve efficiencies in the procure-to-pay cycle including reduction in processing time and reduction in transaction costs. This will help free resources that can be directed into front line services.

An Essex wide electronic supplier portal is linked to the Council's website to enable potential suppliers to register their interest in trading with the Council. The portal will also enable the Council to use full electronic procurement processes which, where appropriate and relevant, can significantly reduce administration times and can provide better audit facilities.

6.15 Our Conduct

In all our dealings in the procurement process, the Council will preserve the highest standards of honesty, integrity, impartiality and objectivity and shall comply with the Council's Codes of Conduct at all times.

In selecting contractors the Council will generally evaluate offers received on the basis of the most economically advantageous tender (MEAT) and will take into account, where appropriate, whole life costing seeking an appropriate balance between cost and quality.

In any procurement the Council will ensure that its approach to the market is consistent with these principles.

Appendix 1: Action Plan

This appendix gives details of the actions and initiatives planned in order to achieve our strategic objectives. It describes key work areas and provides a set of measurable targets which link to the overall strategic objectives. Progress against those key work areas is monitored regularly and reported to the Head of Finance.

PROCUREMENT ACTION PLAN April 2014 – March 2017		
Objective	Action	Target Date
Objective 1: Simplification	Revise the Contract Procedural Rules to reflect this Strategy, current procurement regulations and a focus on simplifying processes.	June 2014
	Produce a Procurement User Guide based on the revised Contract Procedural Rules.	July 2014
	Conduct a range of relevant procurement training events for officers and members of the Council	November 2014
	Review and update guidance available to suppliers.	October 2014

PROCUREMENT ACTION PLAN April 2014 – March 2017		
Objective	Action	Target Date
Objective 2: Use of Resources	Produce and publish Template documentation for tenders and quotes.	July 2014
	Promote the use of the BiP Supplier Portal to advertise all contract opportunities	Ongoing
	Organise procurement review meetings with each internal department	June 2014
	Publish a list of up and coming procurement projects online	December 2014

PROCUREMENT ACTION PLAN April 2014 – March 2017		
Objective	Action	Target Date
Objective 3: Innovation	Produce output based specifications to encourage supplier innovation.	Ongoing
	Conduct Soft Market Testing with the supplier base prior to commencing major procurements	Ongoing
	Investigate and consider areas suitable for collaboration with neighbouring authorities	Ongoing
	Investigate and analyse all routes to market, including frameworks, other contracts and the differing types of procurement procedures available	Ongoing

PROCUREMENT ACTION PLAN April 2014 – March 2017		
Objective	Action	Target Date
Objective 4: Community	Capture contract spend and publish an online contracts register	June 2014
	Review and appraise all options available to support local trade.	June 2014
	Produce a tender checklist document to include checks for the application of social value, environmental and sustainable considerations.	June 2014
	Attend a 'Meet the Buyer' event to engage supply markets.	Ongoing

Appendix 2: Glossary of commonly used procurement terms and acronyms

Best Value: Often defined as 'value for money', Best Value is the optimum combination of whole life costs and quality to meet the customer's requirement.
(Source: Draft Joint note on social issues in purchasing 2005)

Collaboration: In this context, public sector organisations that engage in a joint procurement for works, services or supplies with the intention of obtaining better value for money through economies of scale and reduced tendering costs.

Commissioning: Commissioning is a broad concept and there are many definitions, the following definition from the Audit Commission perhaps best captures the key elements of the commissioning tasks: "*Commissioning is the process of specifying, securing and monitoring services to meet people's needs at a strategic level.*"

Competitive Tendering: Awarding contracts following a process of obtaining competing tenders.

Contract: A binding agreement between two or more parties that is enforceable in law.

Contract Management: The activities of a buyer before, during and after a contract period to ensure that all parties to the contract fulfil their contractual obligations. An important aspect of this is managing the relationships between all parties in the most effective way so as to ensure the contract meets the optimum combination of cost, time and quality.
(Source: Adapted from CIPS definition in the contracts management Knowledge Summary)

E-Procurement: is the ability to purchase/sell through electronic trading via the Internet.

Evaluation: A detailed assessment and comparison of offers made by the Council in accordance with published criteria of responses to a request for quotations or tenders.

Framework Agreement: A framework agreement is a general term for agreements with suppliers which set out terms and conditions under which specific purchases (call-offs) can be made throughout the term of the agreement.

Invitation to Tender (ITT): A formal document inviting an organisation to tender to provide services or, supply goods to or carry out works for the Council. It will include the instructions for submitting a tender, the specification for the requirement, the criteria against which the tender will be assessed, the proposed terms and conditions for the contract and, sometimes, a business questionnaire.

Key Performance Indicator (KPI): KPIs are placed against certain elements of a contract or SLA and indicate the items that are to be measured to see if the contractor has achieved the required contract standard.

MEAT: Most Economically Advantageous Tender.

Method Statement: A document used in the invitation to quote or to tender which sets out specific questions for the bidder to answer to explain to the Council how a service is to be delivered/works to be carried out. It will be evaluated and form a part of the contract.

Official Journal of the European Union (OJEU): The on-line publication in which notices advertising a Council tenders that fall within the EU thresholds must be placed at the start and end of all the procurement.

Pre-Qualification Questionnaire (PQQ): A document asking the tenderer to provide information about his / her business and experience. Most commonly used in EU level procurements.

Procurement: Often used interchangeably with Purchasing. Procurement is the totality of acquisition starting from the identification of a requirement to the disposal of that requirement at the end of its life. It therefore includes pre-contract activities e.g. sourcing and post contract activities e.g. contract management, supplier relationship management activities. Procurement generally relates to goods, works and service(s) requirements.

Public Procurement Directives: The EU procurement Directives set out the legal framework for public procurement. They apply when public authorities and utilities seek to acquire goods, services, and works. They set out procedures which must be followed before awarding a contract when its value exceeds set thresholds.

Quotation: An offer by a supplier to supply goods or services or to carry out works requested either orally or in writing.

Regulations: The Public Contracts Regulations 2006 that implement the various EU Procurement Directives

Risk Management: Involves three key activities, risk analysis, risk assessment, and risk mitigation, all of which facilitate the taking of decisions and actions to control risk appropriately by providing a disciplined and objective approach.
(Source: www.cips.org Knowledge Summary on risk management)

SME: In this context Small and Medium Enterprises (businesses).

Specification/Statement of Requirements: A description of the requirements for the service or of the service to be provided.

Supplier Relationship Management: (SRM) is the discipline of strategically planning for, and managing all interactions with contractors that supply goods and/or services in order to increase the value of those interactions. In practice, SRM entails creating closer, more collaborative relationships with key suppliers in order to uncover new value and reduce risk.

Tender: The offer submitted by the tenderer in response to the Invitation to Tender.