

# Calderdale Council Procurement Strategy 2013-15

## Introduction and Context

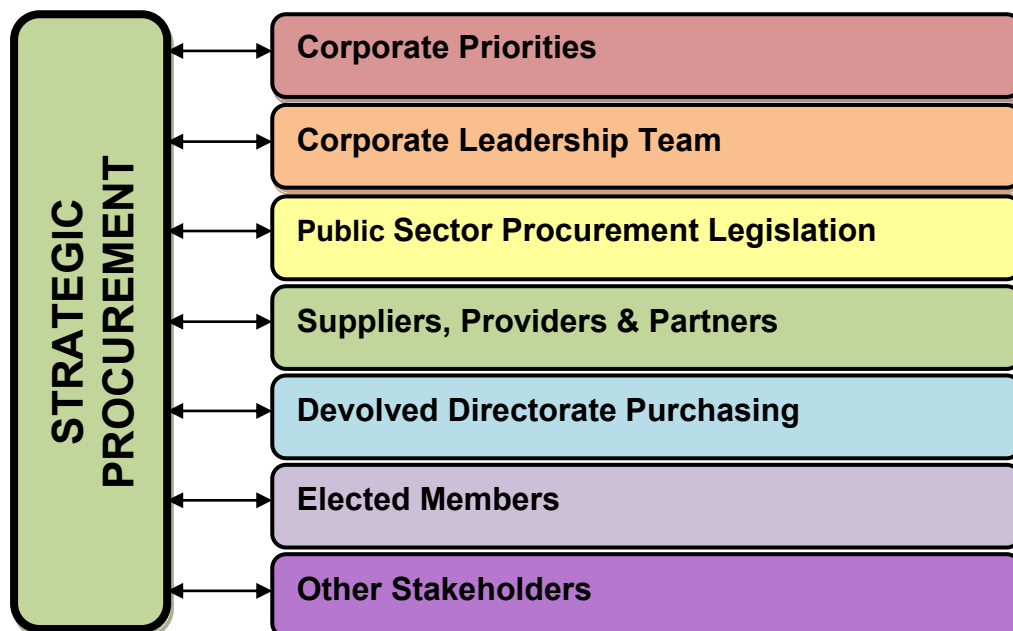
Calderdale Council spends approximately £140m on its procurement activities.

Strategic Procurement is the cornerstone for the way the Council buys its goods, services and works, ranging from the smallest purchase through to the Council's major, high value contracts.

Strategic Procurement is key to:

- Meeting the fiscal challenges faced by Councils
- Changing buyer behaviour to embed a more commercial approach to procurement, based on demand and outcomes
- Providing a challenging environment which improves governance and compliance
- Making sure our procurement practices embody social and sustainable values

Strategic Procurement sits at the centre of the Council, providing a framework by which the Council undertakes its procurement activities, and the procedures used:



Procurement refers to the process of acquiring goods, services and work from when the initial concept is developed right through to the end of the life of the contract, including disposal. Procurement activities range from ordering routine goods through to larger scale contracts, to high value, complex partnership arrangements such as Public/Private Partnerships (PPP), joint

commissioning with other public sector organisations and construction projects.

## **Procurement and Council Priorities**

As a public sector buyer, the Council has both legal and moral responsibilities when making procurement decisions. In addition, in accordance with the Public Services (Social Value) Act 2012, the Council has a duty to ensure that we consider, where appropriate, how services can improve social, economic and environmental well-being of the Borough, and demonstrate that some degree of social value has been sought and achieved in relevant contracts.

Having a focused, corporate approach to procurement enables the Council to proactively support the Councils Priorities of:

- **Growth – driving economic development and enterprise**
- **Ambition – raising aspiration and achievement for all our residents**
- **Resilience – supporting personal, community and environmental resilience**
- **Sustainability – managing demand and investing for the future**
- **Efficiency – delivering efficiency and effectiveness in public services**
- **Fairness – reducing inequalities and tackling disadvantage**

## **Procurement Values**

Procurement exercises should demonstrate that the Council is getting the best value it can from a contract. Best value is the key driver in the Council's procurement decision making process, and can be quality or cost driven, depending on priorities – the cheapest may not provide best value. It requires the Council to demonstrate that it's getting the best service (based on the demand management principle of delivering what we need to have to achieve our outcomes, not what we could have). Effective procurement is the way to achieve this.

Best value means challenging our thinking on specifications and procurement procedures – could we do things differently or have the needs or outcomes changed from last time?

The strategic importance and complexity of outcomes will mainly govern the choice of procurement route. Time and attention should be focused on complex high value, high risk or high impact projects, with quick and efficient processes identified for simpler procurement projects.

## **Living Wage**

The Council recognises its key role in supporting the local economy through paying the Living Wage to its employees and encouraging others to do so, It will realise this aspiration through a Calderdale Living Wage campaign, which

develops and promotes a local living wage to improve the pay, life chances and wellbeing for local people.

The Council is committed to using its buying power through public procurement to encourage take up of the Living Wage by its suppliers. This will support the wider adoption of the Calderdale Living Wage in the private sector through qualifying contracts taking into account of European Union (EU) law and value for money.

## **Sustainable Procurement**

Using a sustainable procurement approach is a way of meeting our needs as a Council that achieves value for money on a whole life basis which not only deliver benefits to the Council, but also to society and the economy, whilst minimising damage to, or improving the environment.

This means being responsible about the whole impact from our procurement activity.

### ***Growing the Local Economy***

It is a given fact that the more money that is spent locally, the greater the positive impact this has on the local economy.

The Council spends an estimated 30% of its overall spend with local suppliers, This will be further validated through the development of baselines for regional benchmarking for further improved investment.

Public Sector procurement legislation limits the Council's ability to engage local businesses, but there are ways in which we can legitimately support local businesses, such as:

- Supporting local businesses through workshops and guidance on how they can do business with the Council, and working with small and medium sized businesses on how we can make our processes more accessible in co-ordination with Business Growth, Councils Economic TaskForce
- Provide early notice and information of future procurement activity through publication of current contracts including when these are due to expire
- Publish tender opportunities in one place, on the regional procurement portal: <https://www.yortender.co.uk>
- Supporting supplier engagement events such as themed events for private sector currently funded by Economic Task Force.
- Packaging contracts in a manner, where possible, which would make tendering more accessible for local and regional suppliers, small &

medium enterprises, newly formed businesses and the voluntary and community sector

- Developing and implementing a Procurement Strategy for Skills, Apprenticeships and Jobs to maximise the potential for skills training and creation of apprenticeships and jobs through appropriate contracts

### **Social Value**

The Council has a role to play in addressing social impact and cohesion through its procurement. Social benefits examples include improved employment and training opportunities, encouraging flexible workforce arrangements, creating volunteering opportunities and offering investment in kind to community projects where this is considered appropriate.

The Public Services (Social Value) Act 2012 places a statutory duty on authorities to consider in their procurement and commissioning processes for Service contracts exceeding the EU threshold of £173,934 by considering:

- (a) How what is proposed to be procured might improve the economic, social and environmental well-being of the relevant areas, and;
- (b) How, in conducting the process of procurement, the Council/Authority might act with a view to securing that improvement

As well as seeking to maximise Value for Money in terms of public spending and outcomes, our procurement and commissioning activities should also seek to:

- Benefit local people and organisations, including developing SMEs and the third sector within the Borough
- Encourage innovative approaches to resolving social, environmental and economic issues in our Borough
- Deliver sustainable solutions which will benefit our communities beyond the life of any contract
- Improve job opportunities, skills and training for our communities

The Council values the added benefits that the voluntary, community and social enterprise sectors can bring.

The Council will review its procedures for lower value procurements which may be appropriate to the voluntary sector (below the £60k competitive tender) to link up with The Calder Hub, including making quotes exercises more accessible.

The Council will support 'supported businesses' (organisations where 50% or more of their workforce are disabled) through its procurement processes by reserving contracts to supported businesses where appropriate.

All procurement and commissioning activity will, where appropriate, be structured to maximise the potential for skills training, apprenticeships and job creation to support the local economy.

Local companies providing goods and services to the Council will be encouraged to take on apprenticeships.

The objectives are to:

- a) Improve skills and job opportunities for local people across Calderdale
- b) Include a requirement to support local employment and skills outcomes where relevant to the purpose of the contract
- c) To obtain a clearer view of outcomes to further identify and develop initiatives to improve social values through procurement activity
- d) To monitor employment and skills outcomes in respect of all Council contracts over the EU threshold, collecting data on:
  - i. Existing apprenticeships in new suppliers to the Council
  - ii. Apprenticeships created as a result of new contracts
  - iii. Job creation as a result of new contracts
  - iv. Skills development where measurable

Furthermore, the Council is continuing to work with the supply chain to continually seek improvements such as support for community projects and supporting local suppliers.

### **Environmental Management**

The Council recognises the impact its procurement practices can have on improving the lives of those who live or work in, or visit Calderdale. To ensure that our procurement has a positive impact, it is necessary to ensure that environmental and wider sustainability issues are considered before and throughout the procurement process.

The approach to sustainable procurement is guided by the Councils priorities.

The Council will continue to monitor environmental performance through its Environment Management System.

The Council will also apply procedures for the proper management and disposal of assets to minimise any adverse impact on the environment whilst ensuring value for money is obtained.

The Council will ensure that officers are aware of the need to identify and address environmental issues through training and guidance.

## **Equality and Diversity**

The Council has a duty to meet the Public Sector Equality Duty set out in the Equality Act 2010, ensuring that equality and diversity are addressed in our procurement activities, regardless of whether it is provided by the Council or through another organisation.

In carrying out our procurement activities, the Council must look to:

- Eliminate unlawful discrimination, harassment or victimisation as set out in the Act
- Advance equality of opportunity
- Promote good relations between people from different groups

The Council will address these issues by:

- Ensuring the inclusion of equality and diversity terms and conditions as standard within contract documentation
- Ensuring Council officers are aware of the need to consider and address equality and diversity issues in procurement activity through training and guidance, contract compliance or management
- Open and transparent procurement process
- Completion of Equality Impact Assessments prior to any procurement activity being undertaken to identify needs and give due regard to the need to promote equality of opportunity
- Reducing barriers and improving the opportunities for diverse suppliers that wish to compete for contracts

## **Procurement Objectives**

### **Calderdale's Procurement Principles**

When undertaking procurement on behalf of the Council, Services need to focus on demand management principles and ask key questions such as:

- 1) Do we really need to buy the service/item etc?
- 2) Is this what we actually want or could we do something different?
- 3) How are we going to buy it, and why this way?
- 4) Is it fit for purpose (will it deliver what we need it to deliver, rather than buying the absolute best we can?)

The following will provide the Strategic procurement principles underpinning all Council procurement activity:

- Strategic procurement will challenge buyer behaviour to ensure that the Council obtains value for money in its procurement, balancing cost and quality and addressing equality and diversity issues
- All procurement will be undertaken in a sustainable manner, supporting Council priorities and policies
- The Council will ensure that procurement activity is undertaken in the most efficient and appropriate manner, considering all options, including:
  - Development and promotion and enforcement of the use of corporate contracts
  - Collaborative procurement
  - Use of procurement consortia and public framework contracts (for example, Pro5, YPO, ESPO, Government Procurement Service and joint authority contracts)
  - Development of strategic partnerships, particularly where these will deliver significant service improvement and/or efficiencies
- All procurement activity will be assessed on a whole life costings and benefits basis, with due regard to risk
- Procurement activity will be transparent, open and fair, with reasons for decisions clearly evidenced.
- Procurement activity will be undertaken with due regard to the Councils Section 151 Rules, ensuring robust procedures and accountability for our actions
- The Council will manage strategic procurement through its Commercial Procurement Unit. This Unit is a corporate resource whose role is to oversee procurement activity
- The Commercial Procurement Unit will continue to lead on the implementation of category management across the Council, providing the Council with an understanding and visibility of third party spend, and ensuring that procurement is planned effectively and spend is under contract
- The Commercial Procurement Unit will provide support to service based staff undertaking a category management or contract management role
- Directorates will develop and maintain a 3 year procurement plan of all current and upcoming projects to allow for effective management of resources and build of appropriate planning time

- The Commercial Procurement Unit will maintain a list of all contract officers and associate category managers/sub-category managers to ensure they are informed of new corporate contracts and developments in procurement
- Training and development needs of all officers involved in category management or contract management will be assessed (possible competency framework) and appropriate training provided

### **Strategic Procurement Framework and Corporate Objectives**

Procurement activity will operate within a strategic framework consisting of current relevant UK procurement legislation, this Corporate Procurement Strategy and its associated documents, the Councils Contract Procedure Rules and S151 Rules for Contracts and Finance.

This strategy has been developed in line with the Calderdale Living Wage Policy and the Councils Economy and Enterprise Strategy.