



Broxtowe
Borough
COUNCIL

**BROXTOWE BOROUGH COUNCIL
COMMISSIONING &
PROCUREMENT STRATEGY
2013 - 2016**

November 2012

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1. INTRODUCTION

This Strategy builds on the work already undertaken and sets out the future framework for the Council's approach to commissioning and procurement in ensuring that this area of activity meets the requirements of the Council and directly contributes to the achievement of the Council's corporate aims and objectives.

This revised commissioning and procurement strategy aims set the way forward over the next three (2013-2016) years, keeping in step with changes in legislation such as the Localism Act 2011, Public Services (Social Value) Act 2012 and changes in European Union legislation and Council policies.

The Council has already undertaken significant work in this area with the production of a previous Procurement Strategy that encompassed various procurement good practice requirements.

This document should be read in conjunction with the Council's contract standing orders and procurement guidance that set out the rules and regulations that must be followed by Council employees when engaged in procurement activities on behalf of the Council.

The Strategy includes at appendix B an action plan for the future, monitoring against which will be periodically reported through the Council's Strategic Performance Management Group and on to members as appropriate.

1.1 Purpose of the Commissioning and Procurement Strategy

The Commissioning and Procurement Strategy is aimed at promoting effective procurement across the whole Council by striking a balance between setting out a detailed 'blue-print' for procurement and maintaining a flexible planning framework within which procurement can evolve.

This strategy incorporates the previously separate 'Procurement Strategy', 'E-Procurement Strategy' and 'Sustainable Purchasing Policy' into one overarching, joined up procurement strategy and adopts a more commissioning based approach.

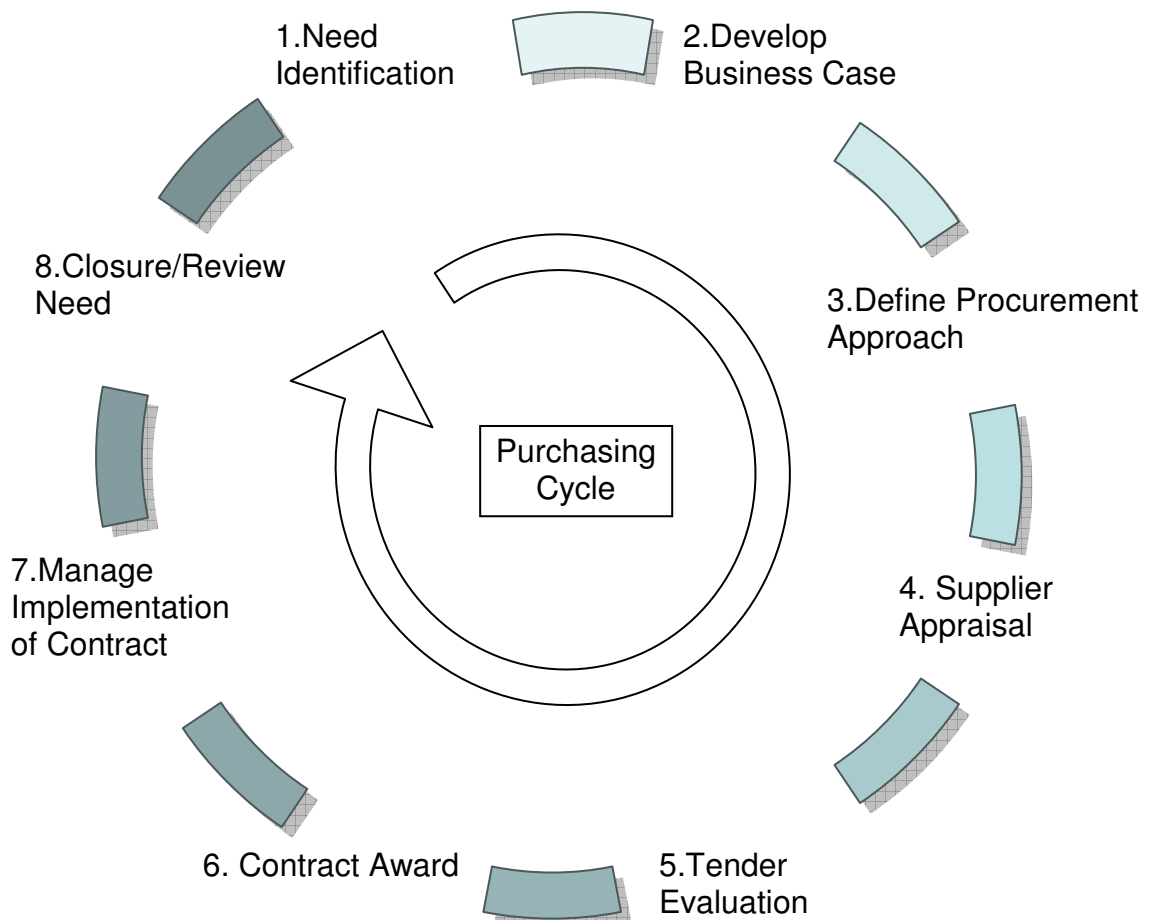
2. BACKGROUND

2.1 What is Procurement?

Procurement has many different meanings. Within the National Procurement Strategy it is defined as “the process of acquiring goods, works and services, covering both acquisitions from third parties and from in-house providers. The process spans the whole cycle from identification of needs, through to the end of a services contract or the end of the useful life of an asset. It involves options appraisal and the critical “make or buy” decision which may result in the provision of services in-house in appropriate circumstances”.

Procurement is not the same as purchasing. Purchasing is only one element of the process i.e. the basis of the acquisition stage in the procurement cycle. The procurement cycle starts with the identification of a need and moves through purchasing decisions to the end of a service or the end of the useful life of an asset. Procurement decisions would cover why, how and where in respect of service delivery options.

2.2 The Procurement Cycle



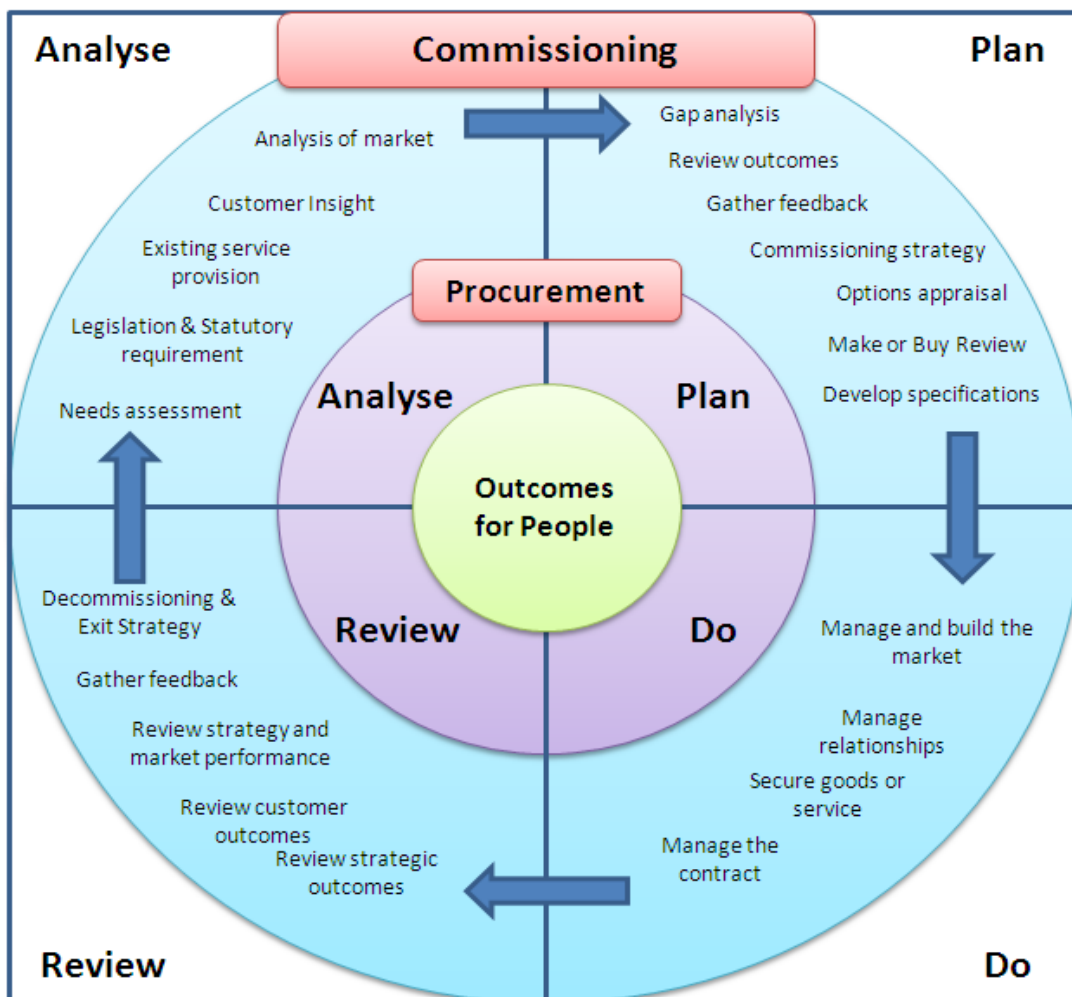
2.3 What is Commissioning?

Commissioning means the process of specifying, securing and monitoring services to meet individuals' needs in the short and long term. It is a continuous process, which allows for constant review and refinement.

Commissioning led procurement means securing the services that most appropriately address the needs and wishes of the users, making use of market intelligence and planning accordingly. Commissioning is about the realisation of high quality and value for money services for the community and service users. It requires continuous monitoring and review leading to actions designed to make improvements. The commissioning process must consider all appropriate options, irrespective of the sector they originate from such as the third sector as well as ensuring legislative compliance and full transparency.

Procurement is part of the commissioning cycle.

2.4 The Commissioning Cycle



ANALYSE

The process starts with an analysis of need. This will include looking at:

- reviewing current service provision
- reviewing need in the local area, including stakeholder needs and views
- the legislative and statutory requirement
- what is happening in comparable situations across the country and new services available in the market place
- analysis of potential market providers.

PLAN

Based on the outcomes of the analysis work, the Council will consider:

- gaps in current service provision
- what services are needed within the local area
- what resources are required and what resources are available
- allocation of resources for a specific service out of total available resources dependent on need, priority and available budget
- decide on strategy of future service provision
- the procurement process to be used including in-house delivery, collaborative or partnership working
- the development of service specifications

DO

This involves ensuring that services are delivered efficiently, effectively and as planned including:

- engaging the market and building market capacity
- completion of the 'procurement' process
- building relationships and managing the contract

REVIEW

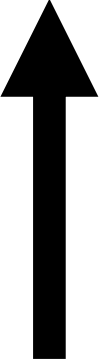

The monitoring of services and their impact and analysing the extent to which they have achieved their intended outcomes is essential. Issues to address include:

- gather and review feedback from service users and other stakeholders
- review contract performance, including risks and changes in the market
- implement exit strategy
- take 'learning and feed into the next 'analyse' and 'plan' stages.

2.5 Procurement Characteristics and Options Available

2.5.1 The Supply Positioning Model

The positioning matrix recognises that different procurement approaches are appropriate according to where procurements are positioned on the matrix

 RISK	<p>BOTTLENECK High risk/low value procurement may be critical for service delivery and source is not easily replicated.</p> <p>The priority for high risk/low cost items is to ensure continuous supply and performance. Price is less important whereas supply or performance failure could be dramatic.</p> <p>These items tend to be low value but high risk because they have the potential to prevent the Council providing a service to the public.</p> <p>Examples include:</p> <ul style="list-style-type: none"> • ICT systems • Staffing • Crematorium Services and Equipment 	<p>STRATEGIC High risk/high value procurement is complex and specialist and critical to delivery of services to the public.</p> <p>High risk/high cost items call for close management of the suppliers since any failure would have extensive repercussions for the delivery of services.</p> <p>The contract opportunity should go through a rigorous procurement exercise to establish suppliers' credentials. Examples include:</p> <ul style="list-style-type: none"> • Housing modernisations contract • Gas partnership contract • Fuel and energy • Waste disposal
	<p>ROUTINE Low risk/low value procurement.</p> <p>Minimise time on low risk/low cost items by using long term contracts and combining with other buyers, perhaps using their contracts and frameworks. Payment can be made using purchase cards.</p> <p>Examples include:</p> <ul style="list-style-type: none"> • Stationery • Office furniture • Travel and accommodation 	<p>LEVERAGE Low risk/higher value procurement.</p> <p>High cost items, in those markets where there are plenty of suppliers, provide an opportunity for the buying organisation to leverage its purchasing power to obtain financially attractive deals.</p> <p>Examples include:</p> <ul style="list-style-type: none"> • IT equipment • Agency staff • Print • Paper
VALUE 		

The Council should ensure that the appropriate procurement approach is used when purchasing works, goods and services. Officers must consider when contracts require a commission led approach.

Officers must also be able to recognise what level and type of risk is associated with each procurement project and attempt to reduce the risks where economically prudent to do so.

2.6 Corporate Objectives

The Council's vision is "Listening and responding to ensure the delivery of efficient and effective services".

The Council has adopted five corporate priorities:

Housing

We want a good quality affordable home for all residents of Broxtowe.

Jobs and Business Growth

Our priority is for more jobs, work experience and apprenticeships to be available for people in Broxtowe, with growing businesses and regenerated town centres.

The Environment

Take responsibility to protect and enhance the environment for future generations.

Bringing people together

We want a caring community where people feel they belong in Broxtowe.

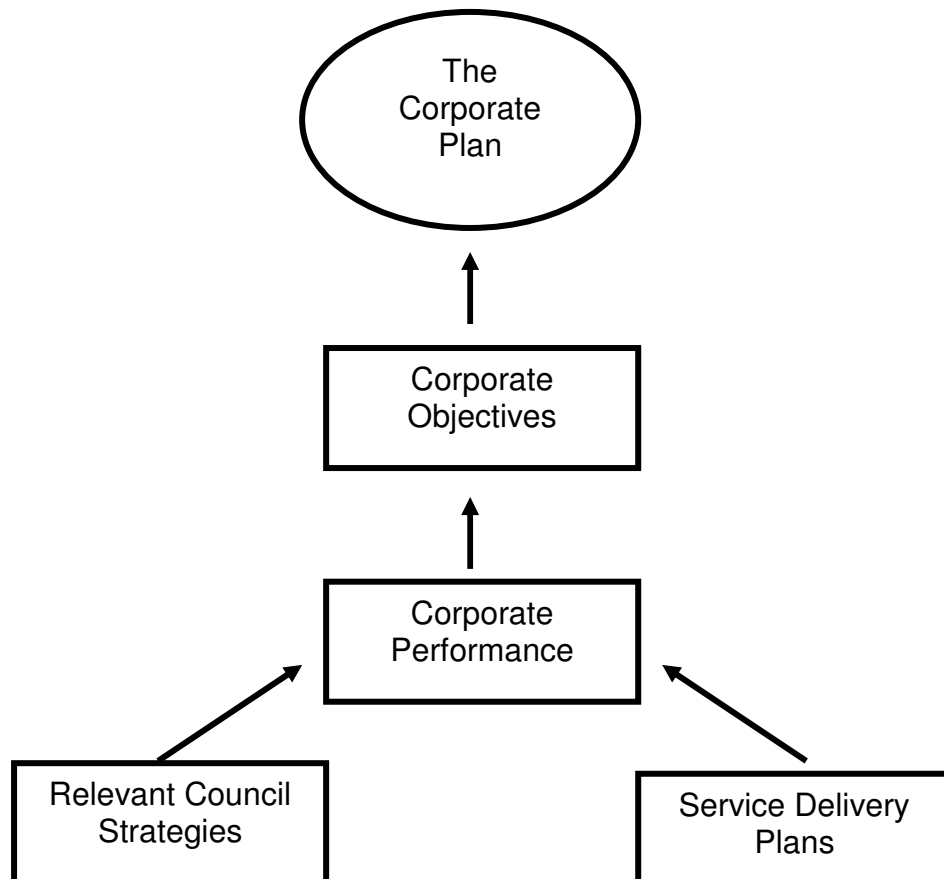
Community safety

We want Broxtowe to be a place where people feel safe and secure in their communities.

Each of these priorities has a number of objectives associated with them, all of which are affected in some way by the Council's procurement practices.

2.7 Performance Management Framework

The strategic framework for procurement is derived from the integrated performance management framework.



This procurement strategy is a key component of the Council's corporate performance management framework.

3. PRESENT PROCUREMENT ARRANGEMENTS

3.1 Legislation / Financial Regulations / Standing Orders

The Council regularly reviews the standing orders and financial regulations to ensure that the procurement strategy and new technologies and methods are compliant.

The Council must adhere to all EU Public Procurement rules and EU and UK legislation such as:

- best value
- public procurement regulations
- health and safety legislation
- equalities and non-discrimination legislation
- Bribery Act 2011
- information management (data protection and freedom of information)
- transfer of undertakings for the protection of employees (TUPE)
- appropriate case law.

3.2 Procurement Principles

There are several principles that are integral to all procurement processes whatever the contract value:

- all disclosure of information to third parties is to be in line with the Data Protection Act, Freedom of Information Act and Public Procurement Regulations
- it is mandatory that the highest standards of conduct are observed by members and officers engaged in procurement of any type by the Council
- in all their dealings officers and members must preserve the highest standards of honesty, integrity, impartiality and objectivity and comply with Council's standing orders, financial regulations and applicable codes of conduct
- under part 12 of annex C of the Local Government Act 1999 (Best Value), the Council must secure continuous improvement in the performance of its services in terms of economy, efficiency and effectiveness
- procurement should contribute to the realisation of the Council's vision and support the achievement of strategic objectives
- all procurement projects should be professionally managed so that the intended benefits are delivered

- commissioning, partnering and other alternative service delivery options should be considered for all new major projects/expenditure
- inherent in the procurement strategy is the need to comply with EU requirements, UK government policy, Council financial and standing order requirements and contract procedures. These are summarised in appendix A.

3.3 Role of Officers

The Deputy Chief Executive is the officer procurement champion at Broxtowe Borough Council

Procurement and Technical Officer is responsible for assisting with the operational day-to-day procurement activities.

All officers have a duty to comply with the Council's standing orders whilst seeking to obtain value for money, acting in a fair and transparent manner and treating all suppliers equally.

3.4 Available Support

The Procurement and Technical Officer will provide guidance on procurement issues in various ways.

- guidance documentation on the intranet and internet
- reminder emails are sent out refer to guidance and latest issues
- assist and manage compliant procurement projects
- be available to provide ad-hoc advice over the phone, email and face to face
- providing template documentation
- general staff training

There are also other resources that will provide officers with guidance on related procurement issues. These include:

- Head of Legal Services – contracts, internal processes, TUPE
- Health and Safety Manager – health and safety issues
- Insurance and Risk Management Officer – supplier insurance requirements
- Deputy Chief Executive - internal processes
- Capital Works Section – Construction, Design and Management Regulations 2007
- Contract Managers – legislative requirements in own function

3.5 Members

The Portfolio Holder for Resources is the member champion on procurement. Procurement issues are reported on regularly through the Budget Working

Group, in Members' Bulletins and at the Strategic Performance Management Group.

3.6 Procurement Strengths and Achievements

The Council's areas of strengths and achievements are listed below:

- established and accessible procurement function providing guidance and expertise
- experienced and dedicated Capital Works function
- good relationship with many functions of the Council
- detailed and user-friendly 'procurement' section on the Council's website
- detailed and user-friendly 'procurement' section on the Council's intranet providing guidance notes for officers
- availability of 'procurement/tendering template' documents
- guidance for suppliers wanting to do business with the Council
- use of the Source Nottinghamshire website to advertise contract opportunities
- compliance with the government's Transparency Agenda by publishing, payments, contract list and tendering documentation
- good links with other local councils through the Nottinghamshire Procurement Forum
- use of technology to advertise and promote contract opportunities
- corporate purchase card scheme in place
- transparent reporting lines for the award of contracts
- expanding contract database
- strong market knowledge within the different areas of the Council.

4. THE WAY FORWARD

4.1 Service Delivery & Contract Management

Objective:

The Council will manage the contracts it lets efficiently and effectively, ensuring that service user needs and contract requirements are met within the agreed budget.

This will be achieved by;

- use of commissioning techniques
- using clear and robust evaluation criteria
- actively managing the contractor
- reviewing the contract management guidance
- mandating use of the contract management guidance
- monitoring and reviewing contract management within the Council
- identifying risks which exist in the performance of the contract
- monitoring expenditure on an annual basis

4.1.1 Commissioning and Procurement

The Council will use 'Commissioning' techniques to ensure that stakeholders including service users, the wider community, suppliers and contractors and specialist council officers along with their partner organisations are included in the process where appropriate.

These techniques are detailed in 2.4. The Council will invest in training to ensure relevant offices have the skills required to implement commissioning led procurement where appropriate.

4.1.2 Evaluation Criteria

To ensure the Council is able to run a fair and transparent tender process, clear and robust evaluation criteria must be available in the procurement process.

The Council will inform the bidders as to how the tender will be assessed and this information will include:

- Minimum requirements for pass / fail questions
- Scoring mechanisms for 'quality' questions.
- An example of how the 'price' element will be calculated and scored.

The evaluation criteria to be selected will depend on the type of contract and the procurement process used.

In a pre-qualification stage factors such as technical capability, experience, financial strength, equalities, health and safety approach, memberships and accreditations can be assessed.

In an 'award of contract' stage the emphasis will be on a split between 'quality' and 'price'.

Ultimately the weighting between 'quality' and 'price' will depend on:

- Type of risks in the contract – market failure, delivery failure, reputational risks
- Type of goods / services the contract relate to
- price sensitivity in the market
- What social and sustainability requirements need to be met

A contract for services direct to customers has greater risk of the customer being affected and therefore the 'quality' weighting may be greater than the 'price' weighting as a good service is more important and may well cost less in the long term.

A contract for the supply of generic goods should place more emphasis on price as the market will be competitive but the contractor will supply very similar services.

The Supply Positioning Model in section 2.5.1 is a simple reflection of the different approaches that can be taken with regards to evaluation criteria.

Further evaluation guidance is available on the Council's Intranet for Officers

4.1.3 Contract Management

Contract management is the responsibility of each Contract Manager.

There are guidance documents, templates and processes to enable effective and standard contract management. These have recently been reviewed and the Procurement and Technical Officer will promote the use of the new guidance to Contract Managers.

Contract management is implemented across the Council contracts by Contract Managers in varying degrees of rigour depending on the contract value, and is to be regularly reviewed through the Council's scrutiny arrangements and by internal audit.

4.1.4 Annual Contract Management Review

On an annual basis Contract Managers will complete the 'Contract Monitoring Pro-Forma' and return this to their Chief Officer and the Procurement and Technical Officer in respect of appropriate contracts. The Chief Officer and the Procurement and Technical Officer will then review the submission and identify any issues requiring further explanation. This information will also be

used to help identify and promote best practice. Details as to which contracts should have this contract monitoring in place is contained in the contract management guidance.

4.1.5 Contract Evaluation

Contract managers will evaluate contracts before starting a new procurement process, so that lessons are learned as to what worked well and what did not. This analysis will then form part of the new procurement process.

4.1.6 Risk Management

The Council will have due regard to the risks involved in the procurement of works, goods and services and will take appropriate action to deal with such risks. Where necessary, risks identified should be considered by the Strategic Risk Management Group and added to the Strategic Risk Register where they are considered to be appropriate.

4.1.7 Performance Management

The Council will ensure the following performance principles are applied:

- **Efficiency:** Ensure that we are driving down the cost of the goods, services and works we procure without compromising on quality. Contracts approaching an optional extension period are an ideal opportunity to reduce costs with existing suppliers. Our contracted supplier can often suggest ways for the Council to make savings so Contract Officers should be in constant dialogue with their suppliers to ensure costs are kept to a minimum.
- **Planning:** Planning annual procurement activity in advance will enable officers and Contract Managers to undertake procurement in a more structured manner, identify options and prepare properly.
- **Specifications:** Where possible, specifications should include measurable outputs or outcomes, performance standards or other appropriate measures by which the contract can be assessed.
- **Contract Management:** This a major factor in the success or failure of a contract. All contracts should have a Contract Manager with responsibility for monitoring and managing the contract, including the development of relationship management.
- **Risk Based Approach to Procurement:** Risk will be managed throughout the procurement cycle to ensure that risks are identified and managed by the most appropriate stakeholder.
- **Review:** It is important that lessons are learned (what went well, what didn't go well), in order to inform future procurement decisions.

Problems encountered in a project should be fed into risk analysis models for future projects.

4.1.8 Performance Indicators

Where appropriate, performance indicators should be identified as part of the procurement process and used as a tool for contract management.

4.1.9 Annual Expenditure Review

The Procurement & Technical Officer will review the annual expenditure, along with input from Heads of Service and Contract Managers, to:

- Identity significant spend without formal contracts in place
- Identify expenditure that does not comply in Council's Constitution or procurement law.
- Identify areas for collaborative procurement opportunities

4.2 Supporting the Local Economy

Objective:

The Council will actively engage with suppliers and the third sector and use procurement to help deliver corporate objectives including any economic, social and environmental objectives.

Procurement legislation limits the Council's ability to favour local businesses and community groups, but there are ways in which it can help reduce the barriers facing local businesses and the third sector.

This can be achieved by:

- using straight-forward tender documentation
- assessing each contract to see if it can be split into smaller lots
- advertising contract opportunities on Source Nottinghamshire and the Council's website
- publishing a contracts database
- treating all suppliers equally
- considering social, environmental and sustainability issues in contracts
- ensuring officers dealing with procurement, economic development, sustainability and contracts work closely together
- increasing skills and knowledge with regards to using 'social' issues as criteria in tendering opportunities
- providing tendering guidance for suppliers
- complying with any change in legislation
- encouraging the third sector to engage with the Council and the community
- addressing the opportunities and challenges of the Localism Act 2011
- identifying and removing barriers preventing local suppliers from winning contracts

4.2.1 Local Business, Local Community and Economic Development

The Council has a responsibility to the community within which it works and, whilst it may be preferable to award contracts to local suppliers where they meet the required criteria, the Council is required to treat all suppliers equally.

Procurement, Economic Development and Contract Managers will work together to identify contracts that have the potential to encourage suppliers to provide training and apprenticeship opportunities to the borough's residents.

4.2.2 Procurement Processes and Documentation

Procurement processes are to be kept as simple and efficient as possible, within the framework of this strategy, to enable smaller local businesses to compete for the supply of goods and services. This is achieved by using

tender documents that are tailored to a particular requirement and splitting contracts into smaller lots.

The Council passed a motion on 26 October 2011 to this effect as detailed below:

“That in order to assist local businesses during the current economic times, this Council will make every effort, when procuring goods and services, to have due regard to the circumstances of local businesses who may be able to compete for this business and to ensure that any quotations and tender sought and the factors taken into account in any evaluation are drawn up to take account of such circumstances wherever possible but whilst still continuing to demonstrate value for money.”

4.2.3 Access to Contract Opportunities

The Council needs to adopt a process whereby local businesses have the opportunity to bid for low value contracts. Use of the Source Nottinghamshire website helps with this but currently not all contracts are adequately advertised and often buyers ‘use the same supplier as last time’ or choose from a select list.

To avoid this, the Procurement and Technical Officer will review the annual expenditure each year and identify opportunities where a contract requirement can be tendered out.

4.2.4 Council Officer Skills and Knowledge

Council officers will continually develop their skills and knowledge so that the Council can let compliant contract opportunities that are accessible to and can benefit small and local suppliers.

4.2.5 Supplier Guidance

The Council has published a guide for suppliers and service providers on its website together with details of contract and tendering opportunities.

The structure and detail of this guide is updated on a regular basis.

4.2.6 Payment to Suppliers

The Council has a target to pay undisputed invoices with 20 days to help suppliers with their cash flow. The Council also has a standard contractual clause by which main contractors are required to pay any sub-contractors who have participated in a contract to the Council within 30 days of receipt of an undisputed invoice.

4.2.7 Community and Voluntary Organisations (The third sector)

The Council recognises the benefits that third sector organisations can bring to the Council and the community. The Council will try to ensure these organisations do not face inappropriate barriers when trying to engage with the Council and bidding for appropriate contracts.

4.2.8 Localism Act 2011

This Act includes the 'Community Right to Challenge' and a scheme in respect to comply with legislative requirements was approved by cabinet on 27 November 2012 and is available on the Council's website. This may open up services provided or run by the Council to a competitive procurement process.

4.2.9 Other Issues

The Council will consider other issues that can help benefit the wider community as and when applicable.

4.3 E-procurement

Objective:

The Council shall continually assess developments and opportunities in e-procurement technology to make the procurement function an efficient process for the Council and its stakeholder and suppliers.

This will be achieved by:

- making use of technologies already implemented by the Council
- using technology to drive down purchasing and administration costs
- using appropriate technologies when cost efficient
- working with other partners (local authorities, third sector)
- ensuring all suppliers can trade effectively with the Council

4.3.1 Introduction

E-procurement describes the use of an electronic system to acquire goods, works and services and payments from third parties. The solutions currently available on the market include:

- complete "end-to-end" procurement systems that are integrated with financial back office systems including marketplace, e-ordering, e-invoicing and e-payments
- stand-alone modules used to seek tenders or quotations (known as e-sourcing/e-tendering)
- web-based systems that enable ordering from approved catalogues (e-marketplaces)
- other web-based systems such as e-auctions
- purchasing cards for ordering and payment
- payment through BACS and CHAPS

Currently the Council uses the following electronic procurement processes and systems:

- e-ordering via the Council's purchasing system
- internet ordering, particularly for stationery supplies
- e-payments via CHAPS, BACS and procurement cards
- use of purchase cards via the card scheme operated by the Co-operative Bank
- electronic guidance for suppliers on the selling to the Council webpage
- tender documents available electronically via the Council website
- advertising of contract opportunities via the Source Nottinghamshire and My Tenders portal for above EU threshold opportunities.
- email is used to communicate with bidders

4.3.2 E-procurement in Broxtowe Borough Council

The main barrier to using further e-procurement technologies in the Council is that the cost is often not outweighed by the potential cashable saving that can be achieved.

The Council however will continue to:

- use websites and email to advertise and disperse tender opportunities and documentation. Guidance to suppliers will also be provided via the website.
- to use purchase cards for low value, internet and 'not present' transactions
- to use e-auction technology for appropriate purchases. This will most likely be in collaboration with other Councils.
- to send purchase orders and BACS remittances by email and pay suppliers using BACS.

The Council's purchasing system will be used to generate orders for purchases. The only exceptions to this relate to the use of purchase cards or where an order is not applicable, i.e. utility services etc.

The Council will only adopt further e-procurement technologies that are:

- required by legislation
- procurement best practice
- affordable
- able to generate clear cashable savings
- make contract opportunities more accessible for suppliers

4.3.3 Local and Small Businesses

The Council will endeavour to ensure that it does not implement e-procurement systems that hinder the opportunity of any business to trade with the Council.

4.4 Sustainable Procurement

Objective:

The Council is committed to encouraging the use of sustainable products and services, enhancing the local environment, using whole life costing and encouraging a prosperous local economy.

This will be achieved by;

- considering social, environmental and sustainability issues in contracts
- ensuring procurement, economic development, sustainability and contract managers work closer together
- increasing skills and knowledge with regards to using 'social' issues criteria in tendering opportunities
- complying with any change in legislation
- encouraging the third sector to help the Council and the community
- allowing alternative bids in the tender process

4.4.1 What is Sustainable Procurement?

“Sustainable Procurement is a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage, or indeed improves the environment”. (Procuring the Future, Sustainable Procurement Taskforce 2006).

Sustainability is often seen as the effect on the 3 P's:

- people
- places
- pounds

4.4.2 People - Social

The effect on the public can manifest itself in many ways in a procurement process. Elements of a procurement process that can affect the public include employment opportunities, apprenticeships, training, health and safety, employment rights, equalities and discrimination. Many of these issues are addressed in section 4.2 – Supporting the Local Economy. The delivery of the service also affects the public. The Council will ensure that a commission led approach is used where appropriate.

4.4.3 Places - Environment

This refers to the effect that procurement requirements can have on the environment, whether local and immediate or long term and affecting another part of the world. Elements of a procurement process that can affect the environment include materials used, pollution, disposal, waste, production

process, carbon dioxide emissions, bio-diversity, use of scarce resources and design.

4.4.4 Pounds - Economy

This refers to the effect the Council's purchasing requirements has on the local economy. The Council has a duty to try to stimulate the local economy by encouraging local suppliers to bid and win contract opportunities. This aspect is addressed in section 4.2 – Supporting the Local Economy.

4.4.5 Local Government Act 2000

The Council has powers under this Act to do anything it considers is likely to achieve the promotion of economic, social, and environmental well-being of their area.

4.4.6 Public Services (Social Value) Act 2012

This legislation confers a duty on the Council to consider how the 'services' we procure might improve the economic, social and environmental well-being of the area, for above EU threshold tenders. The Council needs to consider what would be the benefits to the community by contracting a particular supplier to provide a service. This may mean, for example, engaging with third sector organisations who would invest profits into the community rather than profits going to private shareholders. However value for money is still to be the overriding factor in the award of most contracts.

The Council needs to assess each individual service it purchases and identify the economic, social and environmental elements that can be met through a procurement exercise. To meet its social and environmental requirements the Council will also:

- protect the rights of employee, tenants, customers and public through specification and contracts concerning areas such as employment rights, equalities and non-discrimination, health and safety, CRB and safeguarding checks and product safety.
- purchase products which cause minimal damage to the environment in their manufacture, use and disposal.
- purchase products with the lowest whole cost, considering purchase price, running costs and disposal costs.
- specify that services are completed in a safe, environmentally friendly manner.
- consider the suppliers/contractors approach to tackling unemployment and creating training and apprenticeship opportunities. This should be incorporated into the procurement process where relevant to the subject matter of the contract

- consider the costs and benefits of environmentally preferable goods and services as alternatives.
- apply procedures for the proper management and disposal of assets to ensure both value for money, and to minimise any adverse impact on the environment.
- ensure that where appropriate, suppliers' environmental credentials are, as far as legally practicable, considered in the supplier evaluation process and that environmental criteria are used in the award of contracts;
- ensure that consideration is given to inclusion, within all specifications, of a facility for suppliers/contractors to submit offers for environmentally friendly alternatives;
- specify wherever possible and practicable, the use of environmentally friendly goods.

4.4.7 Equality and Non-Discrimination

Sustainable procurement also includes the duty to ensure that equality and cohesion is addressed in all procurement activity, irrespective of whether provided from within the Council or indirectly through another organisation.

The Council will address this through:

- building equality and diversity terms and conditions into standard procurement documents and contracts;
- monitoring compliance against equality and diversity requirements in contracts through contract management.

4.5 Partnering & Collaboration

Objective:

The Council is committed to exploring and encouraging procurement collaboration and partnering to achieve procurement savings and efficiencies.

This will be achieved by;

- collaborating via the Nottinghamshire Procurement Forum (NPF)
- using existing framework contracts
- making suitable Broxtowe Borough Council contracts open to all Nottinghamshire authorities
- having a procurement plan to ensure all collaboration opportunities are recognised
- ensure the elements of the Shared Service strategy and Partnership strategy are considered in the commissioning and procurement process
- promoting the 'Community Right to Challenge

4.5.1 Partnering

Partnering refers to the creation of sustainable, collaborative relationships with suppliers in the public, private, third sectors to deliver services, carry out major projects or acquire supplies and equipment.

The Council will create partnerships with organisations to the mutual benefit of both parties. Through partnering it is hoped that the Council can work with the organisations to ensure that it satisfies all appropriate economic, social and environmental procurement requirements. A Partnership Strategy has been approved by the Council and forms the basis of opportunities in this area.

4.5.2 Collaboration

Collaboration is a form of public-public partnership. The major benefits of this approach are economies of scale, accelerated learning and reduction of duplication of effort.

The Council, through the Nottinghamshire Procurement Forum, has embraced the concept of collaborative contracts and framework agreements.

The Council supports the concept of procurement efficiency through collaboration. The Council will actively participate with other authorities and organisations, where appropriate and feasible, to seek economies through joint procurement, joint commissioning, framework agreements and shared services. A Shared Services Strategy has been approved by the Council and forms the basis of opportunities in this area.

The Council will identify collaborative procurement opportunities across directorates through the Procurement and Technical Officer and Contract

Managers. The Council will ensure that all appropriate contracts are worded to enable participation by all Nottinghamshire authorities.

4.5.3 Community Right to Challenge

The Council will encourage organisations to participate in the Community Right to Challenge process and provide assistance and support where necessary.

Glossary

Best Value is defined as “the optimum combination of whole life cost and quality (or fitness for purpose) to meet the customer’s requirements”. This approach enables sustainability and quality to be taken into account. The traditional public sector ‘lowest price’ approach should not always be used. For procurement requiring quality, social and environmental needs, the most economically advantageous tender method should be used.

E-Auctions – a process for conducting a Dutch-style reverse auction via the web. Essentially a means of driving down prices in highly competitive markets as an alternative to the traditional tender process. Usually facilitated by a specialist provider for a one-off fee, using their own software and website.

E-Ordering – facility to generate a requisition, authorise it and convert it into a purchase order.

E-payments – facility to pay suppliers electronically using Bankers Automated Clearing Service, direct debit or corporate purchasing cards.

Internet Ordering – ability to access e-catalogues and place orders direct on suppliers’ websites (without any link to Council’s back office systems).

Purchase Cards – government backed purchasing cards scheme which provides prompt invoice-free payment to suppliers, backed by a monthly electronic statement which is received direct into the back office system.

Selling to the Council website – a guide to suppliers on the Council’s approach to procurement, details of forthcoming contract opportunities and contact details.

Supplying Positioning Model - The positioning matrix recognises that different procurement approaches are appropriate according to where procurements are positioned on the matrix relative to their value and risk (risk of not obtaining service/good and consequences of failure to deliver/perform).

Third Sector - non-governmental organisations with cultural, social and environmental objectives. It includes voluntary and community organisations, charities, social enterprises, cooperatives, mutuals and housing associations.

Appendix A – Procurement Standing Orders

Value (£)	Requirement
Standing Orders	
Below £25,000	<ul style="list-style-type: none"> • Contract in writing signed by Chief Officer
Above £25,000	<ul style="list-style-type: none"> • Contract in writing signed by Head of Legal Services • Specify - work, price, timescale, liquidated damages (unless agreed otherwise) • Bond or further security required (unless agreed otherwise) • Retention for works contracts
Below £25,000	<ul style="list-style-type: none"> • Chief Officer decides if quotes needed
£25,000 to £60,000	<ul style="list-style-type: none"> • Chief Officer must obtain 3 quotes for goods and material or services.
Above £60,000	<ul style="list-style-type: none"> • Contract opportunity to be advertised on Source Nottinghamshire
£25,000 to £100,000	<ul style="list-style-type: none"> • Option to request provision of a bond or other suitable security for contracts relating to works or services - clarify with Head of Legal Services
Above £100,000	<ul style="list-style-type: none"> • Performance bond required or other suitable security for contracts relating to works, goods or services - clarify with Head of Legal Services
Above £164,176	<ul style="list-style-type: none"> • EU procurement regulations and processes apply for services/goods
Above £4.104 million	<ul style="list-style-type: none"> • EU procurement procedure for works applies.

Appendix B – Action Plan 2013 - 2016

(All actions are to be met from within existing resources)

	Action	Strategy Ref	Target Date	Person Responsible	Target outcome	Comments
1.	Ensure there is an operational procurement expert and legal expert available to officers of the Council	3.4	Ongoing	Deputy Chief Executive	Readily available source of necessary advice and expertise	Currently have PTO and Head of Legal Services responsible for this.
2.	Review and promote guidance and training for employees on procurement best practice including Council standing orders and financial regulations.	3.4	Ongoing	Procurement and Technical Officer (PTO)	Guidance notes available and relevant staff trained	General guidance on intranet.
3.	Regularly review progress against the procurement strategy action plan	3.5	April 2013 and at least annually	Deputy Chief Executive and PTO	Progress in complying with strategy	Report to Strategic Performance Management Group on actions taken and further work required to implement the action plan.
4.	Adapt Commissioning led procurement techniques where appropriate and ensure stakeholder groups are consulted prior to the procurement process.	4.1.1	Ongoing	Heads of Service	To ensure stakeholders are consulted about the service they use/receive.	

	Action	Strategy Ref	Target Date	Person Responsible	Target outcome	Comments
5.	Ensure stakeholder groups are consulted prior to the procurement process.	4.1.1	Ongoing	Heads of Service	To ensure stakeholders are consulted about the service they use/receive.	
6.	Update and promote Contract Management Guidance.	4.1.3	31 March 2013	PTO	Awareness of updated contract management guidance by relevant officers.	Updated guidance produced and needs to be rolled out across the organisation.
7.	Ensure contract management documentation is being used.	4.1.4	April 2013 and annually	PTO	Submission of contract documentation once a year in line with contracts database.	
8.	Review annual procurement expenditure	4.1.9	May 2013 and annually	PTO	Ensure all spend is in compliance with Council's Constitution and procurement law as well collaboration opportunities.	Review annual spend and report back identifying areas of spend lacking formal contracts, non-compliant spend and areas for potential collaboration
9.	Review and update "Selling Guide" and website as appropriate	4.2.5	Ongoing	PTO	Up to date Selling Guide available to users	"Selling Guide" was placed on the website in December 2004 and has been updated regularly to reflect changing circumstances as appropriate.

	Action	Strategy Ref	Target Date	Person Responsible	Target outcome	Comments
10.	Monitor effects of the 'Community Right to Challenge'.	4.2.8	Ongoing	Deputy Chief Executive and PTO.	Ensure the process publicised and controlled to allow the Council to effectively manage 'the Community Right to Challenge'.	Community Right to Challenge scheme approved by cabinet on 26 November 2012.
11.	Ensure sustainability issues are considered in contract opportunities.	4.4.6	Ongoing	PTO / Contract Managers	Ensure compliance with the Public Services (Social Value) Act 2012	
12.	Ensure equality issues are addressed in contracts.	4.4.7	31 Dec 2012	PTO	Ensure relevant contracts have the equality issues continuously managed.	Contract management guidance including reference to equality issues produced to assist Contract Managers
13.	Maintain regional role through countywide forum.	4.5.2	On-going	Deputy Chief Executive and PTO	Sharing of best practice with other authorities	Regular attendance at relevant meetings and active participation in working groups.
14.	Investigate areas for further collaborative procurement, shared services and partnerships within directorates, with other authorities and third party organisations.	4.5.2	On-going	PTO	Joint arrangements implemented both internally and externally	Potential areas for collaboration being considered internally and within countywide procurement forum.