



**EAST STAFFORDSHIRE BOROUGH COUNCIL**

**REPORT COVER SHEET**

<b>Title of Report:</b>	Procurement Policy 2020	To be marked with an 'X' by Democratic Services after report has been presented
<b>Meeting of:</b>	Corporate Management Team: <b>21<sup>st</sup> July 2020</b>	X
	Leader and Deputy Leaders: <b>27<sup>th</sup> July 2020</b>	X
	Leader's / Leader of the Opposition's Advisory Group / Independent Alliance Advisory Group: <b>2/3 Sept 2020</b>	X
	Cabinet: <b>14<sup>th</sup> September 2020</b>	
	Scrutiny Audit and Value for Money Council Services Committee	



Is this an Executive Decision:	YES	Is this a Key Decision:	NO
Is this in the Forward Plan:	YES	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 .....

**EAST STAFFORDSHIRE BOROUGH COUNCIL**

**Report to Cabinet**

**Date: 14<sup>th</sup> September 2020**

**REPORT TITLE: Procurement Policy 2020**

**PORTFOLIO: Leader of the Council**

**HEAD OF SERVICE: Sal Khan**

**CONTACT OFFICER: James Abbott (Corporate and Commercial Manager)  
Ext. No. x1244**

**WARD(S) AFFECTED: Non-Specific**

**1. Purpose of the Report**

1.1. To provide an overview of a newly developed Procurement Policy which is recommended for approval and implementation within the Council.

**2. Background**

2.1. The Council is required to procure and commission a range of works, supplies and services. It is important for the Council to have a robust Procurement Policy in place to guide procuring officers when making purchases.

2.2. This Procurement Policy has been developed to build upon the Council's well embedded approach detailed in previous Procurement Strategies, and is intended to support compliance with the Contract Procedure Rules and Financial Regulations which form part of the Council's constitution.

**3. Contribution to Corporate Priorities**

3.1. The Procurement Policy contributes directly to the Council's priority "Value for Money Council".

## 4. **Procurement Policy**

### 4.1. **Overview**

4.1.1. Like all local authorities East Staffordshire Borough Council is required to procure and commission a wide range of works, supplies and services to support its activities. Whether it is called procurement, commissioning, purchasing, contracting or buying, the Council spends a significant amount with the external market.

4.1.2. With such significant spend it is imperative that the Council has in place robust arrangements for ensuring that its supplies, products and services are procured or commissioned in a way that provides Value for Money. Ensuring Value for Money means the Council will take into account the optimum combination of quality and “whole-life” cost.

4.1.3. The Council takes the approach of devolved responsibility for procurement, i.e. Service / Contract managers are ultimately responsible for their own budgets and therefore all associated purchases in compliance with the Contract Procedure Rules.

4.1.4. This Procurement Policy provides a framework for the processes and resource allocation of the organisation in its procurement of supplies, products and services. The Policy is intended to, and must, be used in conjunction with the Council’s Contract Procedure Rules as set out in Part 4D of the Constitution, and having regard to the Council’s Financial Regulations, as set out in Part 4H of the Constitution.

4.1.5. The Policy also has regard to applicable National and European procurement legislation and practices.

4.1.6. The Policy incorporates methods and techniques designed to meet the varying requirements of the Council. The Policy will guide officers in making the right decisions when undertaking contracting activities while complying with the Council’s Contract Procedure Rules which form part of the Council’s Constitution.

4.1.7. The Council will continue its approach of using best practice procurement approaches and processes. This will assist in the delivery of high quality services to support strategic priorities while ensuring Value for Money.

### 4.2. **Procurement Policy Principles**

4.2.1. The Policy details all considerations that need to be incorporated into a procurement exercise:

4.2.2. **The Procurement Life-Cycle** - The Policy considers procurement in a way that encompasses the full life-cycle of the asset or service contract.

The “life-cycle” is the period from the initial definition of the business need through to the end of the useful life of the asset or service contract.

4.2.3. **Thresholds and Procurement Types** - The Policy also details the procurement process the Council is required to follow when purchasing works, supplies or services as it is dependent upon the type and estimated value of the contract.

4.2.4. **Procurement Policy Principles in Practice** - Once the most appropriate procurement process has been agreed, it is important to define the responsibilities of the procurement process to ensure it is as effective as possible and achieves the desired outcomes for the Council and its residents. Broken down by procurement threshold, the Policy defines the roles, responsibilities and considerations for all involved in the procurement process. These roles, responsibilities and considerations include eProcurement approaches; openness and transparency; and a range of operational considerations.

4.2.5. **Fraud, Risk Management and Other Considerations** - This Policy fundamentally minimises the opportunity for potentially fraudulent or corrupt activities by setting out the rules and principles that all staff must follow, including adopting a devolved approach to procurement that integrates a number of departments. However specifically acknowledging and mitigating the risks of fraud and corruption are critical for sound financial management and key to ensuring value for public money. The Policy also details information that will assist budget managers when considering risk in a procurement process. Policy also requires budget managers to consider a range of other factors including Local Purchasing; Community and Voluntary organisations; social value; value for money; ethical procurement; climate change and sustainability; or any other Council Policy or Strategy that may also be in place during the life of this Policy that could influence their considerations.

## 5. **Financial Considerations**

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

5.1. 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 Procurement Policy contributes to reducing financial risk through providing a common framework for undertaking purchases and for securing Value for Money via effective procurement.

6.2.2. The Procurement Policy 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 Procurement Policy 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 2.

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

Is it a Health or Equality action?	Issue/impact identified	Recommendation/Action required	Lead officer and timescale	Resource allocation
Health	<b>[Positive Impact]</b> Through local procurement and accessibility to SMEs, the well-being of residents in the area is contributed to.	Positive impact, which would not cause public concern	Corporate & Commercial Manager [Ongoing]	Officer time
Health	<b>[Positive Impact]</b> Social, economic and environmental factors are embedded in the Corporate Priorities. The Policy ensures sound procurement of effective services in line with the Priorities.	Positive impact, which would not cause public concern	Corporate & Commercial Manager [Ongoing]	Officer time

Is it a Health or Equality action?	Issue/impact identified	Recommendation/Action required	Lead officer and timescale	Resource allocation
Equality	The Policy has a focus on electronic procurement. 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 necessary; through publication of tendering procedures and / or Council attendance at "Meet the Buyer" events.  Ensure that Web Accessibility Initiative standards are considered in the Council's E-procurement portal contracts.	Corporate & Commercial Manager [Ongoing]	Officer time
Equality	As the Council 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 necessary; through publication of tendering procedures and Council attendance at "Meet the Buyer" events.	Corporate & Commercial Manager [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:

### **Positive (Opportunities/Benefits)**

10.2.1. The Procurement Policy details a commitment to considering sustainability and supports the Council's climate change commitments.

10.2.2. The Procurement Policy details a commitment to local purchasing in order to support the local economy.

### **Negative (threats)**

10.2.3. None identified

## 11. Recommendation(s)

11.1. That the Council adopts the Procurement Policy.

## 12. Background Papers

12.1. None

13. **Appendices**

13.1. **Appendix 1:** Procurement Policy

13.2. **Appendix 2:** Equality and Health Impact Assessment