

PROCUREMENT STRATEGY

October 2018 — October 2021



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Derbyshire Dales District Council support the Fair Trade Initiative



1 Introduction

The aim of this Strategy is to make sure that every penny is spent wisely to get more value from every pound spent by, either cashable returns, or better operational efficiencies. This would maximise benefits from our procurement spend within the Derbyshire Dales.

The Strategy aims to improve links with the Council's corporate priorities and will continue to reflect the Council's initiatives to remove unnecessary complexity from processes and procedures and to retain only those that add value to the services we deliver.

Procurement has a key role to play in ensuring that the Council continues to deliver what our residents/customers want e.g. value for money, equal treatment and transparency and in contributing towards economic, social and environmental wellbeing.

Procurement is a strategic process that follows a clear pattern starting with identifying a need right through to reviewing the delivery of the contract and learning any lessons for future procurements.

2 Purpose of the Strategy

The strategy aims to:

- 2.1 Increase value for money (defined, for the purposes of this Strategy as the best whole-life cost and quality ratio to fulfil the stated requirements) and reduce processing costs.
- 2.2 Take a long-term strategic view of the Council's procurement requirements, including the potential for innovative procurement and the opportunity for working with other authorities especially for goods and services which can be procured more cost-effectively in a collaborative group.
- 2.3 To minimise harm to the environment and to promote conservation of natural resources in any procurement decisions.
- 2.4 We want to achieve significant savings through improved procurement and contract management.
- 2.5 To assess the risk associated with each procurement project in order to achieve a balance with commercial outcomes and placing risk where it is best managed.
- 2.6 Promote social value through the Council's procurement practices.
- 2.8 Where practicable support small and medium sized enterprises (SMEs), local to the Derbyshire Dales through a range of initiatives including:
 - Making it simpler to do business with the Council;
 - Reduce the bidding burden on suppliers.
 - 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; Using local advertising portals such as Source Derbyshire www.sourcederbyshire.co.uk and other means to focus the attention of locally based firms.
 - Contracts for all categories of procurement where the cost is over £10,000 will be published on the Contracts Finder website - www.gov.uk/contracts-finder

3 The Vision for Procurement

The vision for Procurement — where we want to be - is to enable the Council to procure what it needs to deliver the best services possible for Derbyshire Dales residents and customers within its available resources. To do this we have adopted the following Strategic Themes for the period covered by the Strategy.

3.1 Strategic Theme 1

Straightforward:

- To make procurement as straightforward as possible for the Council and potential suppliers, in particular to improve access for local suppliers and small and medium enterprises and to eliminate anything that does not add value to the procurement process
- Take a more corporate approach to procure items to maximise the benefits of economy and scale.

3.2 Strategic Theme 2

Professional:

- Continue to embed professional procurement and contract management skills across the Council. This goes hand in hand with moves to increase the commercial outlook of the Council.
- Ensure all procurement activities are carried out in accordance with the Council's Contract Standing Orders and Financial Regulations and latest procurement legislation and regulations (EU and UK).

3.3 Strategic Theme 3

Support a vibrant local economy:

- Give opportunity to local SMEs to participate in procurement opportunities by increasing engagement and the visibility of our procurement plans and opportunities. This can be achieved for straightforward low value procurements by moving from frameworks to competition through a simple quotation exercise.

3.4 Strategic Theme 4

Strategic:

- Increase officer awareness and understanding of opportunities to support the Council's corporate priorities through procurements
- For each procurement consider how and what is being procured might improve the economic, social and environmental wellbeing of Derbyshire Dales residents (where proportionate and relevant) For example this could be achieved by the inclusion of a comment or question within the tender documentation.
- Working in collaboration with others to improve and develop sound procurement practices and innovative solutions to promote sustainability and deliver value for money and outcomes which benefit Derbyshire Dales residents / customers, making use of clear and detailed procurement/purchasing data, collaboration and partnership opportunities.

- An Action Plan will be presented to Corporate Leadership Team on a quarterly basis for a review and update on action taken on high spend procurement within Derbyshire Dales.

3.5 Strategic Theme 5

Savings:

- Work in collaboration with partners across services and maximise on economies of scale to deliver savings
- Actively seek price reductions on contract renewal – seek 10% savings target reduction as contracts are renewed.
- Renegotiations of contracts where appropriate to seek earlier savings.
- Procurement Hub in liaison with the Corporate Leadership Team to realise savings on Corporate spend.

4 Procurement Hub

- 4.1** The purpose of the Procurement Hub is to import and share knowledge and good practice and ensure that the District Council operates in a risk free environment.

The objectives of the Procurement Hub are:

- To have an overview of the use of technology to streamline procurement processes
- To make it easier for suppliers to do business with the authority
- To review the relevance and effectiveness of the Procurement Strategy and Contract Standing Orders
- To identify areas for collaborative working to produce more cost effective and innovate procurement solutions.
- To create capacity through joint delivery of significant procurement projects.
- To review and recommend the role and function of the Hub.

5 Training and Development

- 5.1** The Council acknowledges that all members and officers responsible for making procurement decisions need the appropriate skills, knowledge and guidance in order to make the right decision and achieve continuous improvement. Accordingly members and employees with procurement responsibilities will be:-

- Given the appropriate training in order to undertake effective procurement and purchasing;
- Made aware of their responsibilities under the corporate procurement framework and related policies through induction and the PDR process.
- Advised on the budgetary implications of procurement decisions; and
- Consulted on proposed future changes to the Corporate Procurement Strategy.

6 Relationships with suppliers

- 6.1 In longer-term contracts, the Council will incorporate provisions for continuous improvement both within the contracted service and to the benefit of the community / customers it is serving.
- 6.2 In higher value contracts the specification will challenge contractors to demonstrate other methods of contributing to improving the economic, social and environmental well-being of the Derbyshire Dales provided they relate to the contract.
- 6.3 New suppliers may be required to ensure that they possess the necessary resource and financial capacity to perform the contract.

For example:

- the new supplier may be required to have a certain minimum annual turnover, including a certain minimum turnover in the area covered by the contract;
- provide information on their annual accounts;
- have an appropriate level of professional risk indemnity insurance.

7 Equality, Economic, Social & Environmental

- 7.1 The Council will take social, economic, environmental benefits and equalities issues into consideration alongside financial factors in decision-making. The business case for procurements will be required to address equalities issues and sustainability issues to identify whether there is scope to improve the environmental, economic and social impacts of the proposed contract.
- 7.2 In procuring contracts, the District Council aims to ensure that all businesses have fair access to opportunities to work with the Council. In the delivery of these contracts, we will ensure that evaluation models, specification of services, contract conditions, quality requirements and monitoring procedures fully address equalities issues. To help us achieve this, we will ensure compliance with equalities legislation (The Equality Act 2010) and Public Services (Social Value) Act (2012) and use positive action provisions in assessing the commitment of tendering firms to the aims and values of the Council's Equality and Diversity Policy.
- 7.3 The Procurement Strategy also requires officers of the District Council to:
 - undertake a (proportionate) Equality Impact Assessment when planning a procurement when appropriate and consider opportunities for economic, social and environmental benefits within the business case for projects (and build appropriate questions into the tender pack);
 - make provision within the tender specification (where appropriate) to include equality related award criteria or specific equalities outcomes to reflect the needs of different services users.
 - establish the need for secure systems to be put in place for the transfer of personal sensitive information by email or other means.

8 Our conduct

- 8.1 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, Contract Standing Orders and Financial Regulations at all times.

9 Action Plan

The table below summarises the actions and initiatives planned over the Strategy period to achieve the outcomes set out in the Vision for Procurement. A target date for completion and owner has also been included:

PROCUREMENT ACTION PLAN October 2018 — October 2021			
Strategic Theme	Action	Target Date	Owner
1 Straightforward	Promote and develop Corporate understanding of the Procurement Strategy		CL
	To explore current contracts and spend to challenge new procurement opportunities and save money	On going	ALL
	Ensure the District Council's procurement documentation is proportionate to the requirements of both higher value and lower value contracts	Jan 2019	Procurement Hub
	To provide a dedicated Procurement webpage to provide suppliers with a simple unified approach to procurement activity within the Council.		CL
2 Professional	Develop and deliver targeted training programme for officers undertaking procurement.		CL
	Review Contract Standing Orders and Financial Regulations	Annually	KH/SL/CL
	Ensure that EIA are completed for all appropriate procurement projects	Ongoing	ALL

3 Support a Vibrant Economy	Promote procurement opportunities and how to do business with the Council via website and business MATTERS newsletter	As and when required Monthly (as appropriate)	ALL Economic Development
	Increase engagement with local SMEs through Meet the Buyer event in partnership with other Derbyshire / Peak District authorities (to help 'coach' local SMEs on requirements of local councils)	Annually	Economic Development / Procurement Hub
4 Strategic	Refresh and Publish online Contracts Register to promote future contract opportunities and timely ongoing renewals	Monthly	Budget Holders
	Produce practical officer guidance on incorporating social value questions within tender evaluation criteria (inc. sample questions)	March 2019	CL / Economic Development
	Continue analysis to determine uncontracted high spend to identify new opportunities within the Derbyshire Dales	Annually	Procurement Hub
5 Savings	Seek price reductions on contract renewal - 10% savings target reductions as contracts are renewed Renegotiations of contracts where appropriate to seek earlier savings	As and when required	Budget Holders