



Commissioning and Procurement Strategy
2017-20

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Leadership Foreword

It is essential that we extract maximum value from public resources. In addition the manner in which these resources are managed is critical to the successful delivery of the functions of our organisation.

This Commissioning and Procurement Strategy sets out the framework for Rossendale to obtain value for money in all procurement activities. It establishes the strategic direction for how we can use procurement to focus activity on the delivery of outcomes and realise corporate priorities during a continued period of financial and other challenges for local government.

We've accepted the Government's offer of a four-year funding settlement (2016/2020) which gives us some certainty about funding over the next few years but we will continue to face financial challenges over this period and beyond. The new funding model of local government whereby this Council must rely, in the main, on locally generated income creates an operating environment where the procurement of goods and services is increasingly important and strategic.

The focus on delivering value for money has always been a priority for Rossendale. The Council is committed to reviewing its service delivery models and associated spending in order to ensure best value. Effective commissioning and procurement will assist us in the delivery of corporate objectives. The Council will pursue a mixed approach to procurement seeking further savings opportunities through, amongst others: aggregation of expenditure, public body collaboration, private sector partnerships, established frameworks and local arrangements where appropriate

Stuart Sugarman

Chief Executive

Cllr Andrew Walmsley

Portfolio Holder for
Resources

1. Background and Scope

- 1.1 The Council's Commissioning and Procurement Strategy supports the Council's priorities and vision and ensures procurement activities are integrated and focused on the achievement of the Council's aims and objectives. The strategy is fully supported by Members and the Council's Management Team. This strategy replaces the previous update in 2009.
- 1.2 This Commissioning and Procurement Strategy has been developed with consideration of a number of approved strategic and policy documents, including but not exclusively:
- The Council's Constitution, amongst other parts but not exclusively:
 - Schemes of Delegation
 - Financial Procedure Rules and
 - Contract Procedure Rules
 - Roles, responsibilities and terms of reference.
 - Rossendale Borough Council's Strategic Plan
 - Financial Strategy and Medium Term Financial Strategy (MTFS)
 - Departmental Service Plans
 - Rossendale Borough Council Efficiency Plan (2016-2020)
- 1.3 This strategic document considers the corporate objectives of the Council, commissioning and procurement activity within the context of the Council's operating environment and how these activities complement the Council's strategic aims.
- 1.4 Effective commissioning and procurement is the main tool through which we can maximise value for money from our available resources. It requires an increased and improved approach to commercial activity. This strategy endeavours to identify the means by which this can be achieved.

2. Priorities

2.1 The Commissioning and Procurement Strategy supports the vision contained within the Corporate Strategy (2017- 20) and in pursuance of strategic procurement aims, is committed to working with partners to ensure that we achieve our vision for Rossendale:

“Rossendale: A place where people want to live, visit, work and invest.”

2.2 Commissioning and Procurement related activity has a key role to play in enabling the Council to meet its three corporate priorities:

- A clean and green Rossendale
- A connected and successful Rossendale that welcomes sustainable growth
- A proud, healthy and vibrant Rossendale

3. Commissioning and Procurement in Context

3.1 It is important to firstly define what is meant by 'commissioning and procurement' and to recognise that together they can deliver the outcomes desired by the Council economically, efficiently and effectively.

3.2 Commissioning

3.2.1 'Commissioning' is the process of identifying need within the population and developing policy direction, service models and the market to meet those needs in the most appropriate and cost effective way. In short, it is a more embracing approach to fulfilling public supply lines to our customers.

3.3 Procurement

3.3.1 'Procurement' is the process by which the Council obtains the goods, works and services it requires in the provision of services to the community. The process spans the whole cycle from identifying need through to the fulfilment of the contract.

3.3.2 This Commissioning and Procurement Strategy relates to the service delivery models and the supplies and services purchased by the Council. Effective procurement (and commissioning) has an important role to play to enable the Council to meet its identified savings requirement over the medium term (£1.0m pa from 2018/19).

3.3.3 The procurement landscape for the Council ranges from the local operating environment to the wider European marketplace and beyond. The scale of the landscape and the impact on the Council and its governance arrangements are detailed below.

3.4 European Union (EU)

3.4.1 Despite the June 2016 referendum, the Council is required to comply with EU Directive 2014/24 which dictates procurement procedures throughout the EU. These rules are mandatory and have been put in place to ensure that open competition takes place for all public sector contracts. (N.B. these rules embrace wider World Trade Organisation (WTO) and are therefore likely to remain in place post Brexit).

3.4.2 At a basic level, all contracts with a cumulative total value over their recurrent life of £164,176 (goods and services) and £4,104,394 (capital works) need to be tendered and published in the Official Journal of the European Union (OJEU) to ensure all organisations across Europe can

compete for the opportunity. These thresholds are updated bi-annually. The next update is due in January 2018.

- 3.4.3 For goods, services and works below these thresholds, there is greater flexibility but strict governance arrangements in line with EU treaty principles and UK legislation are still in place to ensure suppliers are selected on merit and a fair and transparent process has taken place.
- 3.4.4 If letting concession contracts for works or services the Council is required to comply with EU Directive 2014/23 (UK legislation: Concessions Contracts Regulations 2016).

3.5 National

- 3.5.1 The EU directive referred to above is incorporated into UK law as Public Contract Regulations 2015(PCR2015), which additionally (in part 4 of the regulations), requires specific actions to make procurement contracts more accessible to business. Other legislation also impacts on procurement e.g. the Equalities Act 2010 and the Localism Act 2011. However, it must be noted that each tender exercise may require the application and awareness of specific legislation relevant to that procurement e.g. Waste Regulations 2012 (amended), re collection, transport, etc.
- 3.5.2 Regular guidance in the form of Public Procurement Notices (PPNs) is issued by Central Government to aid public sector organisations with best practice procurement. Further guidance is provided by the Local Government Association (LGA) in the form of the National Procurement Strategy for Local Government in England 2014, the PCR 2015 toolkit and guidance on specific sectors such as Construction.
- 3.5.3 The LGA strategy refers to 4 specific areas which the Council's strategy supports:
 - Leadership
 - Making Savings
 - Supporting the Local Economy
 - Modernising Procurement.

3.6 Regional

- 3.6.1 The Council is committed to pursuing collaborative opportunities where appropriate throughout Lancashire and the wider North West region, through the Combined Authority model and partnership arrangements with neighbouring East Lancashire authorities and Lancashire County Council.

We will take advantage of framework and other arrangements where appropriate.

3.7 Local

- 3.7.1 Procurement is governed by internal policies and procedures in the Council's Contract Procedure Rules (CPR), Financial Procedure Rules (FPR) and Constitution (Scheme of Delegation). It is informed and shaped by the Council's own strategies and objectives. These documents reflect all regional, national and European strategies and legislation, and are reviewed annually.
- 3.7.2 The Council is also committed to working with, and supporting, other local organisations, Whitworth Town Council and volunteers to deliver services and build capacity.

4. Strategic Fit and Approach

4.1 A co-ordinated and effective Commissioning and Procurement Strategy will support the Council in the delivery of its objectives by:

- Delivering an outcomes based approach to commissioning and procurement;
- By helping to maintain timescales;
- Creating an innovative and effective approach to procurement;
- Creating greater capacity and capability, and identifying new providers in different market segments e.g. third sector, local partnerships and volunteers;
- Identifying opportunities for collaboration with other commissioners;
- Building a mixed economy and flexible approach to service delivery and help identify the appropriate model;
- Identifying opportunities for decommissioning and contestability of direct provision;
- Improving interpretation of user and stakeholder opinions and needs through consultation, feedback and market research;
- Involving customers and service users in the planning, design, monitoring and evaluation of services and demonstrating a commitment to them;
- Delivering evidence based solution e.g. through the use of benchmarking;
- Providing real and sustained value for money and improvement;
- Managing and reducing demand;
- Demonstrating transparency and accountability.

4.2 The following are examples of the Council's mixed market approach to service delivery and the sharing of resources (this list is not exhaustive):

- **In-House** – The council retains the option to deliver services from its own resources e.g. Waste collections. Parks and Open space services, Development Control, Environmental Health, etc.
- **Joint Working (Public-Public Shared Services Agreements)** – e.g. The Pennine Night Time Noise Service delivered with other local authorities in East Lancashire, Lancashire County Council Internal Audit service, Communications (Blackburn with Darwen).
- **Collaborative Procurement** – Working with others to achieve economies of scale e.g. use of established framework agreements.
- **Capacity Building** – The Council provides financial support to charitable and third sector organisations to deliver tailored services to

local residents e.g. Citizen's Advice Bureau (CAB), Civic Pride and Community Leisure Association of Whitworth Ltd (CLAW).

- **Joint Venture Company (JVC)** – Creation of Joint Venture Companies with the private sector to regenerate areas of the borough e.g. The RTB Partnership Ltd.
- **Leisure Trusts** – The Council created The Rossendale Leisure Trust in 2005 in addition to supporting the formation of the Whitworth community forming the Community Leisure Association for Whitworth Ltd (CLAW) and in 2011 Ski Rossendale Social Enterprise.
- **Public Private Partnership (PPP)** – A strategic partnership with the private sector, e.g. with Capita plc.

4.3 Future commissioning (and procurement) plans are noted as follows:

- **Shared Services Agreements – Public Sector (SSA)** – including discussions with neighbouring authorities to explore the possibility of sharing services.
- **Shared Services Agreements – Private Sector (SSA)** - working with private sector joint venture partnerships, developing capacity, expertise and corporate memory/knowledge.
- **Strategic Procurement** – working when possible with partner councils to take advantage of collective purchasing power to reduce the cost of supplies to Rossendale, seeking both transformational and transactional savings.
- **Citizen Self-Service** – engaging with the local community to deliver services at lower cost through the utilisation of technology e.g. Online payments (Planning Portal, Council Tax, etc) and c 90 Allpay services available at post offices and retail outlets within the borough as part of the Council's digital agenda.
- **Service Transfer and Community Asset Transfer** – continuation of existing council run services through alternative providers via service and/or asset transfer e.g. enabling voluntary and community groups to deliver services.
- **Concessions** – The granting of a right or asset (and the transfer of risk) to the private sector in return for a source of income.

5. Procurement Policy and Responsibilities

5.1 Procurement Policy and the links to Priorities

5.1.1 All procurements should demonstrate a clear link to the Council's overall Vision, Values & Corporate priorities and service planning and seek to demonstrate how a corporate approach to procurement will support these.

5.1.2 In addition to items included at Section 4, the Council requires all services to demonstrate:

- Commitment to users of the services;
- High professional standards and best practice;
- Compliance with the Council's regulatory framework and all applicable legislation;
- Commitment to continuous improvement;
- Commitment to quality and equality of service provision;
- Operational efficiency, risk and performance management;
- Effective management of systems and procedures;
- Commitment to follow the commissioning and procurement principles and process including the council's Contract Procedure Rules;
- Transparency and accountability;

5.1.3 The following commissioning and procurement principles have been developed with the aim of underpinning the Council's Procurement Policy and Strategy and defining responsibilities.

5.2 High Professional Standards & Best Practice

5.2.1 All commissioning/procurement procedures shall be operated in a professional manner and ensure the highest standards of transparency, probity and accountability.

5.2.2 All procedures shall be operated in accordance with the Council's Contract Procedure Rules (CPR), codes of practice, best practice, ethics and standards set by the relevant professional organisations.

5.2.3 Wherever possible, model or standard terms and conditions of contract should be used that have been evaluated by The Monitoring Officer and other legal officers as being satisfactory for use by the Council.

- 5.2.4 All procedures shall be auditable and be able to demonstrate sufficient probity and accountability for all decision-making processes.
- 5.2.5 A designated officer/s shall be identified to take responsibility for the project management of all new commissioning/procurement projects over a value of £100,000 (a Key Decision) or a lower value if deemed necessary by the Management Team.
- 5.2.6 A plan for all major commissions/procurements (> £100,00) shall be prepared in a timely manner and approved by the Council's Corporate Management Team and Cabinet prior to all new projects, indicating:
- Assessment of the business case
 - The procurement time-scales and milestones
 - Resources requirements
 - Risk assessment
 - Reporting, monitoring and governance arrangements.

5.3 Management, Control & Monitoring of Contract

- 5.3.1 The designated officer (see 5.2.5) shall be assigned to take responsibility for monitoring and reporting of contracts within their remit, including, amongst others:
- Compliance with H & S requirements;
 - Compliance with all relevant Legislation;
 - Regular Client & Contractor progress meetings;
 - Performance and project management including, amongst others:
 - Performance against delivery specification,
 - Service Costs
 - Service Quality
 - Performance against K.P.I.'s
 - Complaint Monitoring
 - Capacity for continual improvement and Lessons learned (what went well and what did not go well).
- 5.3.2 Contract management is of paramount importance, and can make the difference between a successful contract and a failed one. Contractual arrangements should be adequately resourced, effectively managed and the performance monitored throughout the contract duration. Contracts should include quality and performance standards which are monitored and reviewed. A good working relationship will be developed with all suppliers, with liaison meetings held with major suppliers at suitable intervals. Plans should be made well in advance of the expiry of a contract

for re-letting it based on a review of previous and current arrangements and performance.

5.4 Assessing & Minimising Risk

- 5.4.1 The risks associated with all procurement shall be assessed and minimised accordingly.
- 5.4.2 All procurement project management and contract management will be based upon the principle of the recognition and management of risk.
- 5.4.3 The risks associated with the procurement of contracts shall be evaluated in accordance with the Council's Risk Management strategy and the likely consequences assessed accordingly. Whistleblowing should form part of standard contract conditions.
- 5.4.4 As a general principle, identified risks should lie with whoever is best placed to manage and minimise risks.
- 5.4.5 All officers involved in commissioning and procurement should be fully aware of, and have the ability to apply and adhere to the Council's Contract Procedure Rules and Financial Procedure Rules in relation to all procurement exercises.
- 5.4.6 Staff engaged in procurement and contract management shall be trained for the process.
- 5.4.7 When project managers are arranging a procurement they should have the capability themselves, through qualification, experience and/or knowledge (or have access to suitably trained & qualified staff) to be able to arrange the procurement in a satisfactory manner, particularly where new initiatives are introduced such as the CHEST, reverse e-auctions, etc.
- 5.4.8 Officers managing major contracts shall have the capability themselves, through qualification, experience and/or knowledge (or have access to suitably trained & qualified staff) to be able to ensure the sound management & monitoring of the contract.

5.5 Commissioning and Procurement

- 5.5.1 Services should carry out a rigorous assessment of the need for any procurement. This should include an effective sourcing strategy to determine the appropriate service model and the potential markets for the supply.

5.5.2 It is increasingly recognised that as well as directly providing services ‘in house,’ there are other ways to deliver service, including through partnerships with the private and voluntary sectors, locally with other public bodies and with Central Government. The Localism Act 2011 also provides powers to the local community to bid to provide services or for community assets. The development of new methods or approaches to procurement which may deliver services more efficiently, effectively, innovatively and economically will be encouraged. The Council will develop an open and constructive dialogue with all those involved or who may have something to offer.

5.5.3 A thorough business case should be made addressing, amongst other things:

- Strategic fit – does the planned procurement fit with our corporate policy and service plans?
- Cost /Benefits Analysis – what is the real cost and do we know what benefits can be delivered?
- Achievability – Is it achievable and can the Market deliver?
- Affordability – Can we afford it in both Capital and Revenue terms (whole life cost approach)?
- Value for Money - Does it deliver real value for money? Is some other project delivering greater value? Does it deliver savings?
- Available Options to support the procurement - have we considered the appropriate approach to the market, the preferred and compliant procurement route and an effective procurement tool should this be needed and available?
- Risk - have we carried out a thorough assessment of risk linked to the specific procurement?
- Communications plan – have all relevant stakeholders been informed. What are the plans for public announcements?

5.6 The Market Process

5.6.1 All Procurements will be carried out in line with Contract Procedure Rules and Financial Regulations. Compliance will reduce the Council’s exposure to breaches of procurement legislation, provide a more effective audit trail and ensure effective communication to all stakeholders, delivering the transparency and accountability the council is committed to. It will also deliver value for money and effective delivery of the Council’s corporate policy and service plans.

5.6.2 All external commissioning/procurement will be based on competition, recognising that there will be limited exceptions to this approach in certain defined (exceptional) circumstances.

- 5.6.3 Commissioning and procurement processes will primarily be based on the assessment of outcomes, noting that the evaluation of inputs will remain an integral aspect.
- 5.6.4 Forms of external commissioning or procurement will be based upon a partnering approach recognising mutual advantage, and which reflect longer-term relationships seeking continuous improvement.
- 5.6.5 Arrangements shall ensure that all new commissioning/procurement projects are adequately managed and monitored with a view to achieving completion of the project on time and within budget. The cost of contract management and other ongoing council inputs should be assessed within the business case.
- 5.6.6 Consideration should be given to a number of important principles when preparing the procurement and approach, the contract terms and conditions, and post contract management namely:
- Arrangements for contract management and compliance;
 - Mechanisms for performance management and monitoring;
 - Measurement of value for money i.e. economy, efficiency, and effectiveness;
 - Continuous improvement requirements throughout the contract management;
 - Determination of the appropriate arrangements for supplier relationship management including an effective communication plan;
 - The Council's Sustainability Community Strategy should be considered and, where applicable, adequately addressed when writing specifications, evaluating tenders and throughout the service delivery of the contract;
 - All commissioning and procurement shall actively recognise the impact on social, economic and environmental wellbeing;
 - A whole life cost approach should be taken for all procurements to reflect the real cost to the Council.

5.7 Sustainability

- 5.7.1 All commissioning and procurement shall actively recognise the impact on social, economic and environmental wellbeing and give particular consideration to the Social Value Act 2012 for qualifying contracts but also for smaller scale projects where it is deemed relevant.
- 5.7.2 All commissioning/procurement projects will recognise that meeting the needs of the borough's diverse communities will be a key factor in determining the best providers, and that specifying and measuring

equalities outcomes will therefore be an important part of any procurement process. We will ensure visibility of our supply chains to enable this to be monitored.

5.7.3 The viability of local business is a key part in achieving the Council's vision. Local businesses should be given appropriate support and encouragement to enable them to compete for Council contracts. Regeneration is a primary objective for the Council and any procurement exercise that benefits the local economy will be given full consideration.

5.7.4 All procurement projects will recognise the need for providing value for money by taking into account the whole-life costs of goods and services. i.e. running and disposal costs and not just the initial purchase price.

5.7.5 The Council is committed to the principles of the Small Business Friendly Concordat. This is a voluntary, non-statutory code of practice set out by the D.C.L.G., the L.G.A. and the Small Business Service. It promotes the equality of treatment of small and medium sized enterprises in tendering exercises and encourages Councils to help SME's understand what the requirements of Local Authorities are.

5.7.6 Compliance is also required with part 4 of the Public Contract Regulations 2015 commonly known as the Lord Young Reforms and in summary requires:

- Payments to companies to be made within 30 days;
- Abolishment of pre-qualification questionnaires under the EU Threshold;
- Advertisements on Contracts Finder for opportunities over £25,000 (subject to the Council's own Standing Order/Contract Procedure Rule value for the need to advertise);
- A record of such procurements to be maintained;
- Compliance with central Government guidance.

5.7.7 All commissioning and procurement should take into account environmental principles, wherever possible supporting low carbon options, specifying environmentally preferable products and services and promote 'Fairtrade'.

5.7.8 Environmentally preferable products are defined as ones that are less harmful to human health and the environment when compared with competing products that serve the same purpose. Amongst other things they:

- Are fit for purpose and provide value for money;
- Are energy and resource efficient;

- Are obtained from local suppliers in order to reduce transport related environmental impacts;
- Use the minimum amount of virgin materials;
- Make maximum use of post-consumer materials and reduce packaging;
- Are non (or less) polluting;
- Are durable, easily upgraded or repairable;
- Are reusable and have markets and infrastructure for recycling the product at the end of its life;
- Are supported by additional information to demonstrate their suitability. e.g. Timber is purchased from certified sources such as those accredited by the Forest Stewardship Council (FSC) or the Pan European Forestry Certification (PEFC) scheme.

5.8 Workforce Matters

5.8.1 It is important that Council officers responsible for commissioning and procurement recognise that the employment practices of prospective partners can be relevant for the purposes of achieving best value and seek to ensure through the commissioning/procurement process that such practices are governed by the principles of negotiation and continuous service improvement, in particular, by:

- Ensuring that relevant information on bidders' employment practices is required in the Invitation to Tender;
- Incorporating the contractors' ability to recruit and retain staff into the quality assessment criteria;
- Meeting all current central government guidelines in respect of the 'Principles of Good Employment Practice';
- Requiring that all eligible potential employers have at least a workplace pension scheme in place and auto-enrolment;
- Requiring that all potential employers consider recognising those trade unions currently representing staff;
- Ensuring that all other TUPE regulations are applied.

5.8.2 Council officers must also recognise that consultation with staff and the trade unions is an important part of the procurement process, both in terms of procurement decisions and in the management of any project, in particular, by:

- Providing appropriate information to staff and trade unions at all stages of the commissioning/procurement process;
- Establishing regular consultation processes with staff and trade unions at appropriate frequencies;

- Providing an opportunity for trade unions to comment on all aspects of the procurement process at key milestones of the procurement process;
- Facilitating meetings between trade unions and potential providers at key stages of the procurement process;
- Allowing full discussions between trade unions and the Council's preferred bidder prior to contract award.

5.9 Equalities

5.9.1 The Council is committed to the promotion of equalities in Rossendale and Service Managers involved in commissioning and procurement are required to be fully aware of the requirements of the Council's policy. Contractors wishing to be considered for tendering opportunities or partnership arrangements are required to have equality statements and may be required to show evidence of equalities put into practice. The Council has Equality and Dignity at Work statement, which contractors who do not have an equalities policy will be asked to sign. Contractors wishing to compete for Council contracts over the appropriate EU threshold are required to complete a Pre-Qualification Questionnaire (PQQ), which includes an equalities section.

5.9.2 The Contractor shall not discriminate directly or indirectly against any person because of their gender, age, ability, sexual orientation, gender reassignment, religion or belief, marriage and civil partnership, pregnancy and maternity. These are the nine protected characteristics of the Equality Act 2010.

5.9.3 In summary, the Contractor shall comply with the provisions of the following legislation (or any statutory replacement legislation or re-enactment thereof):

- The Equality Act 2010
- The Human Rights Act 1998
- The Modern Slavery Act 2015
- The Civil Partnership Act 2004

5.9.4 The Council will not enter into a contract with any supplier who does not comply with this contract condition.

Appendix 1

Summary example of future procurement & commissioning projects

Project	Lead Officers	Delivery Date
Re-tender for Revenues, Benefits and Customer Contact	Head of Finance / Head of ICT and Customer Services	October 2019
Review energy supplies (Gas and electric)	Facilities Manager	Spring 2020
Review water supplies	Facilities Manager	2017/18
External Audit	Public Sector Audit Appointments Limited	December 2017 (for 2018/19)
Re-Tender banking service	Exchequer Manager	April 2018
Purchase of Refuse and other front-line vehicles	Head of Operations	2017 - 2020
Fuel	Head of Operations	Weekly (based on best available spot price)
Refuse, Parks & other operational equipment: <ul style="list-style-type: none"> • Grass cutting & similar machinery • Hand held tools • Materials / consumables • Playground equip' • PPE • Bins / sacks • Maintenance • etc 	Head of Operations	TBC / Ad hoc
Statutory Testing: <ul style="list-style-type: none"> • Portable Appliance Testing (PAT) • legionella 	Head of Operations / P&P Manager / Facilities Manager	Ad hoc

<ul style="list-style-type: none"> • asbestos • HAV / WBV 		
Mobile phones	Head of ICT and Customer Services	November 2018
Various ICT contracts	Head of ICT and Customer Services	2017 - 2019
Insurance	Head of Finance	April 2020 (plus extension options)
Reactive property maintenance	Facilities Manager	2018