

<b>SUBJECT:</b>	<b>PROCUREMENT POLICIES</b>
<b>DIRECTORATE:</b>	<b>CHIEF EXECUTIVE</b>
<b>REPORT AUTHOR:</b>	<b>HEATHER CARMICHAEL, CLIENT PROCUREMENT OFFICER</b>

## **1. Purpose of Report**

- 1.1 To update members on the changes to the Authority's own internal Procurement Policies following an internal review of the current provision.

## **2. Executive Summary**

- 2.1 Following the decision to withdraw from Procurement Lincolnshire, the shared service there is a need to ensure that the Council has in place a robust procurement service.

## **3. Background**

- 3.1 In light of the withdrawal from the shared service, the Council is committed to adopting a robust procurement strategy moving forward. A comprehensive review has been undertaken by the Client Procurement Officer and the City Solicitor to ensure that the service and its underpinning policies/strategies meets the needs of both the Council and those who we wish to do business with. And is a forward thinking, pro-active approach to procurement.

These policies will ensure that the service operates at a strategic level focussing on those activities which will deliver efficiencies and improve the way that services are delivered. It is also the aim that these policies will assist and support those external bodies contracting and/or wishing to contract with the Council.

## **4. Main Body of Report**

- 4.1 There is now, more than ever, a need to achieve savings and efficiencies as well as cultivating long term sustainable procurement practices. In order to deliver this, it is critical that local authorities have in place the relevant policies and strategies that enable this to happen.
- 4.2 This review has taken account of best practice by others involved in public sector procurement as well as feedback from suppliers who have or are looking to engage with the Council in the future. It must however be acknowledged that there are some limitations as to what the Council can and can't change due to the legal constraints of Public Contract Regulations.
- 4.3 To this end, the Client Procurement Officer and the City Solicitor have developed the following policies and strategies which, when adopted by the council will enable all parties to have a clear and transparent understanding of what is required of them.

**4.4** The four policies will be in addition to the more operation policy document, Contract Procedure Rules which details the processes Officers are required to follow:

- Procurement Protocol (Appendix A)
- Delivering Social Value Through Procurement (Appendix B)
- How To Do Business With City of Lincoln Council (Appendix C)
- Local Purchasing Strategy (Appendix D)

**4.4.1 Procurement Protocol** – this document sets out the Council's commitment to equality of opportunity for all those who wish to do business with it. It accepts that a one size fits all approach to procurement is not productive ; identifies the perceived barriers whilst balancing this with legislative requirements ; makes a commitment to working with various organisations prior to as well as during (as much as it is allowed) the procurement process and looks at the potential to offer support, training and advice to suppliers. The council is proposing the following mission statement:

“to ensure procurement opportunities with the City of Lincoln Council are fair, straightforward and accessible to all”

**4.4.2 Delivering Social Value Through Procurement** – this document sets out the important role Social Value can play in enabling sustainable development through the Council's procurement activity. The policy identifies a number of key topics with social, economic and environmental impacts and details specific policy commitments. However this is an evolving area where suppliers and officers alike are still developing best practice and therefore the policy will continue to be informed by best practice. The Council is proposing the following as the Social Value position for the Council:

“a process by which benefits can be made that will improve the quality of life & life chances of City of Lincoln residents and enhance our Civic pride in the City”

**4.4.3 How To Do Business with City of Lincoln Council** – this document has been developed to provide a step by step guide to suppliers looking to working with the Council. It is envisaged that it will:

- Outline the rules and regulations that the Council must follow in procuring goods, services and works
- Detail how to bid and outline what information will be required
- Provide contact details of those who can provide support and guidance
- Provide information as to where contract opportunities can be found

**4.4.4 Local Purchasing Strategy** – this is a refreshed version of the strategy which has been in place for a number of years. It details the Council's preference to procure locally produced goods or services over those which come from further afield. Unfortunately it has to be acknowledged that this is substantially limited due to Public Contract Regulations 2015 which take account of EU Directives. These do not allow for procurement awards to be made on geographical location or allow favouritism to be shown to “local businesses” as this can be seen as being discriminatory. However there are opportunities for below OJEU threshold activities for “local businesses” to be supported without contravening the

regulations. The Council has adopted the following as its definition of a “local supplier”

“those suppliers whose trading premises are located within Lincolnshire and/or a 20 mile radius of the county of Lincolnshire’s boundary”

Attached at appendix A, is the detailed category work programme and the suggested officers who can best input into the engagement process.

- 4.5** Whilst reference is made throughout all current procurement policies, including those within this report, to the EU, it is not yet known, given the uncertainty of Brexit negotiations, what the potential impact will be on procurement in the future. However as the EU legislation in the main has been reflected within UK law by way of Public Contract Regulations 2015 it is not anticipated that any changes will be seen within the next 5 years.

## **5. STRATEGIC PRIORITIES**

- 5.1** Let’s Drive Economic Growth – depending on the type of contract being procured there could be the option to include the development of Apprenticeship schemes and also local jobs
- 5.2** Let’s Reduce Inequality - depending on the type of contract being procured there maybe scope to include training for local residents as well payment of the Living Wage. In addition the adoption of a Social Value policy is a Vision 20:20 project under this theme group
- 5.3** Let’s Deliver Quality Housing – as part of the Social Value policy it may be possible to engage with successful contractors to help improve the living accommodation of our residents
- 5.4** Let’s Enhance Our Remarkable Place – as part of the Social Value policy it may be possible to encourage contractors to undertake improvement works within local communities

## **6. Organisational**

- 6.1** Finance (including whole life costs where applicable)

There are no financial implications directly arising from this report.

- 6.2** Legal Implications including Procurement Rules

Any procurement activity would be undertaken following the relevant procurement guidance.

- 6.3** Land, property and accommodation

- 6.4** Human Resources

- 6.5** Equality, Diversity & Human Rights (including the outcome of the EA attached, if required).

The development of the individual policies within this report will not result in an impact. However when undertaking procurement equality matters will need to be considered and a review and subsequent EA will be undertaken where deemed appropriate.

6.6 Significant Community Impact

6.7 Corporate Health and Safety implications

## **7. Risk Implications**

7.1 (i) Options explored

7.2 (ii) Key risks associated with the preferred approach

## **8. Recommendation**

8.1 That the proposed Procurement Policies be recommended to Executive for approval and inclusion within the Council's Constitution.

**Is this a key decision?** No

**Do the exempt information categories apply?** No

**Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?** No

**How many appendices does the report contain?** 4

**List of Background Papers:** None

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