

# Exeter City Council Sustainable Procurement and Commissioning Strategy 2009 –2012



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## 1.0 Foreword

Welcome to the council's Sustainable Procurement and Commissioning Strategy. The current Procurement Strategy addressed a number of strategic areas of procurement that have largely been achieved and reported to Members on an annual basis. This document has gone through an extensive consultation process to ensure its applicability and effectiveness.

The Sustainable Procurement and Commissioning Strategy is intended to ensure the council obtains optimum value for money in all its procurement and commissioning activities within a framework that supports the principles and priorities of sustainable development.

It addresses:

- all elements of procurement and commissioning activity, from identifying need, consultation with users, challenging that need, considering options, obtaining the appropriate goods, services or works, effective supplier and contract management, through to the disposal of assets;
- a 'whole life' approach ensuring minimum environmental impact and maximum cost effectiveness wherever possible. It also embraces emerging initiatives including the need for the council to consider its [carbon footprint](#);
- the many solutions available to the council, from establishing corporate contracts, using collaborative and consortia arrangements, through to developing long-term strategic partnerships.

This strategy continues to provide a clear focus on balancing two priorities:

- 1 identifying and delivering efficiencies, but not at the cost of quality, and
- 2 developing and embracing socially responsible and sustainable procurement and commissioning

These two priorities can be reconciled through adopting a mixed economy approach, evaluating on the basis of [whole life costs](#), and breaking down the barriers to council opportunities.

The Council, SMT and the [Procurement and Commissioning Group](#) fully support this Sustainable Procurement and Commissioning Strategy.

The council believes the following benefits will arise from adopting a Sustainable Procurement and Commissioning Strategy.

- a) Increased economic activity by the council with local suppliers
- b) Lowering of our carbon footprint
- c) Delivering efficiencies and quality
- d) Delivering services that users want

As the Portfolio Holder with responsibility for business transformation, I recognise that it is at the heart of our aims and Members and officers must be committed to delivering this strategy.



Councillor Natalie Cole  
Portfolio Holder for Business Transformation and Human Resources

## 2.0 Executive Summary

This document sets out the council's strategic approach to procurement and commissioning. It is not intended to be a manual; however, the principles contained within this strategy will be applied to all procurement and commissioning activity.

Effective procurement and commissioning is crucial in securing high quality; value for money public services. The development of a clear Sustainable Procurement and Commissioning Strategy is a key step towards achieving and delivering the demanding efficiency targets in the 2007 Comprehensive Spending Review.

It emphasises the importance of socially responsible procurement, using whole life costs, involving users and assessing the social, environmental and economic impact of procurement decisions.

Value for money, efficiency targets and carbon commitments will only be achieved if the Council adopts a positive approach to procurement and commissioning taking full account of the opportunities for innovation and genuine partnerships which are available from working with others in the public, private and [third sectors](#).

Importantly, this strategy seeks to balance the priorities of:

- 1 delivering efficiencies and quality and
- 2 engaging in socially responsible procurement, with local and regional suppliers to promote the local economy within the EU procurement rules and taking account of the social and environmental impact of spending decisions.

A mixed economy approach to procurement and commissioning also relies on developing a collaborative approach with other organisations including the voluntary and [social enterprise](#) sector to achieve economies of scale wherever possible and appropriate.

This strategy provides a corporate focus for procurement and commissioning. It embraces the council's commitment to strategic procurement and commissioning and sets out the council's aspirations. Details on processes and how to do business with the council can be found on the 'Selling to the Council' web page on the council website at;

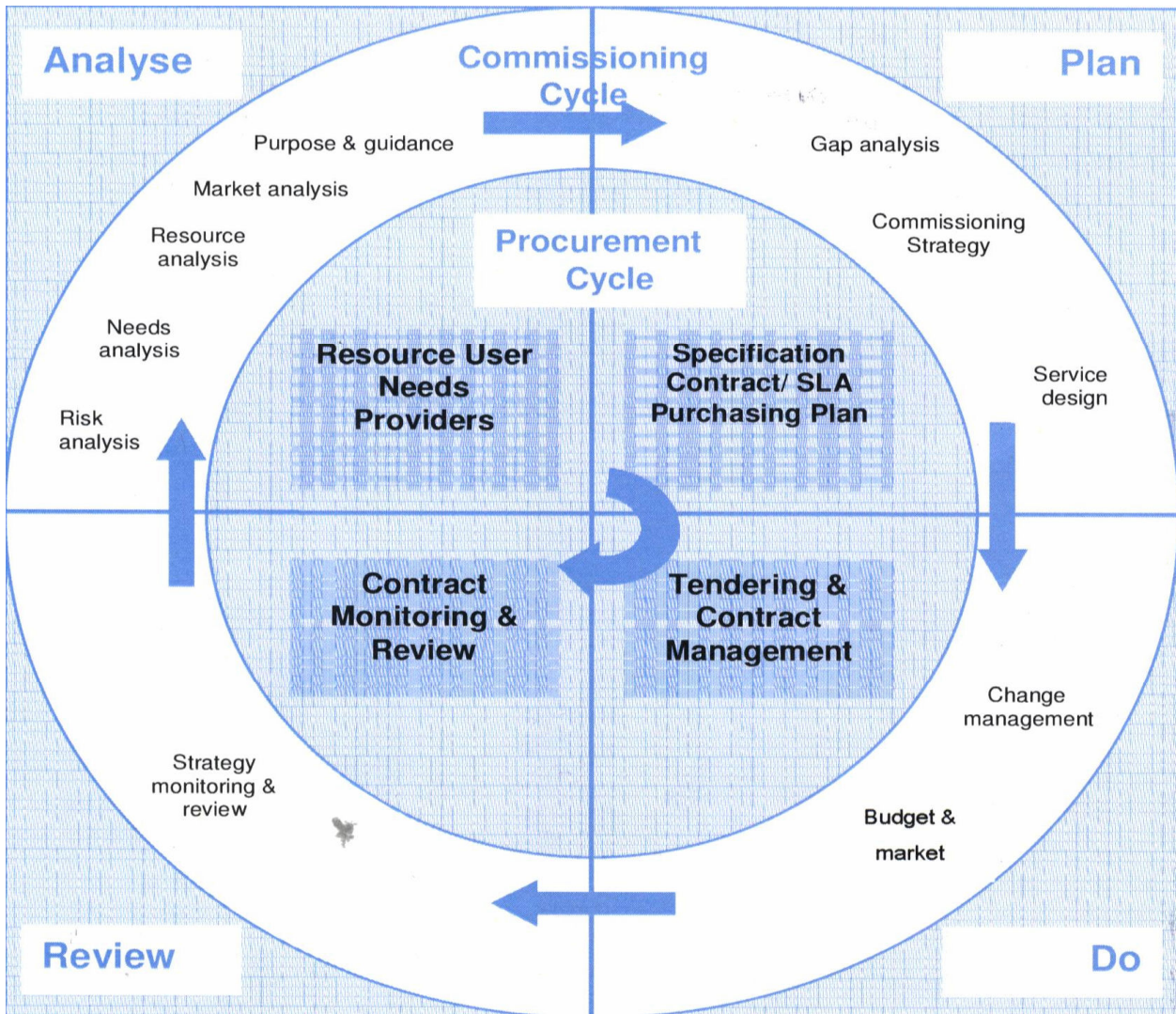
<http://www.exeter.gov.uk/lqnl/index.aspx?articleid=9086>

### 3.0 Strategic Procurement and Commissioning in Context

Procurement and commissioning consists of a series of activities and processes that sit at the heart of the council, providing the framework by which the council obtains value for money in all the goods, services and works that it requires. A useful definition that shows the inter relationship is;

***“Commissioning is defined as the entire cycle of assessing the needs of people in a local area, designing services, and then securing them. Procurement is defined as covering the specific activities advertising through to the final contract arrangements”.***

Figure 1 below shows the iterative nature of this inter relationship;



### 3.1 The Commissioning Role of the Council

The council will generally be better able to meet its best value duty by adopting a strategic commissioning role. A strategic commissioning role is one in which the Council seeks to secure the best outcomes for the local community by making use of all available resources – without regard to whether services are provided in-house, externally or through forms of partnership.

Commissioning involves:

- user and community engagement and needs analysis
- strategically planning for services which deliver sustainable outcomes
- implementing plans, shaping markets, securing services and outcomes
- monitoring the delivery of outcomes, evaluating and challenging services.

Where this is done well this will enable the Council to:

- seek opportunities for joint commissioning across local statutory bodies and thereby secure a more efficient use of resources
- focus on understanding what communities need, and so to challenge existing service provision
- avoid silos by being creative in seeking opportunities to achieve cross-cutting objectives through mainstream services.

### **3.2 Putting people and places at the heart of commissioning**

The council will involve service users and the local community throughout the commissioning cycle. Increasingly such involvement should deepen the extent that local people and the wider community become co-producers of the services and outcomes they want to see. There are a range of ways the Council can seek to achieve this co-production, these include;

- actively involving service users and the wider community at each stage of the commissioning cycle – assessing needs, establishing priorities, designing services and reviewing performance;
- exploring with the community how services can be varied or targeted so that they are responsive to differing interests;
- locating commissioning decisions closer to users and communities for example through community groups;
- devolving aspects of the commissioning role
- active participation in the day-to-day delivery of services.

The council will also involve front-line staff in the commissioning of services, making use of their commitment and expertise.

### **3.3 A mixed economy of service delivery**

The council will recognise and embrace diversity in the way services are provided, with the focus on desired outcomes and not on whether the service is delivered by the public, private or the third sectors. The range of delivery mechanisms include;

- joint working with other statutory bodies;
- working in partnership with or providing grant funding to local organisations and the voluntary sector;
- co-production with service users and communities of interest and place;
- developing and shaping local markets;
- contracting with providers in the public, private and third sectors;
- securing services through an in-house provider.

While the council has discretion over how individual services are to be provided, best value is more likely to be achieved where there is a positive approach to achieving a mixed economy, rather than where any one supplier dominates the provision of services in an area. Developing choices requires a sound knowledge of the available sources of supply and the capabilities of service providers. The council has a key role to play in shaping the local public service markets through dialogue and procurement to stimulate providers to develop innovative solutions.

### **3.4 Fair and Open Competition**

The council will represent the interests of citizens, service users, and their communities by;

- ensuring decisions about using public money are based upon an objective assessment and accurate information;
- taking steps necessary to avoid conflicts of interest for example, when determining the way in which to award a contract when their own organisation is in competition for the right to run a service through a public procurement;
- adopting practices that are fair and open i.e. neutral between different types of providers and transparent on pricing (including in cases where they are operating in direct competition in a local market);
- ensuring that any procurement and commissioning decision, including retaining services in-house, is undertaken and justified in an open and transparent way regardless of whether a full European Union (EU) Procurement exercise is involved.

The council needs to understand and manage the cost effectiveness of each part of their delivery chain where public resources have been invested, whatever the formal arrangements for the management of that service might be, so as to ensure best value. The council, for their own services (including those externally provided) should;

- regularly and rigorously assess and review the competitiveness of those services against similar services provided by other statutory bodies, local authorities or other service providers;
- where these services are found to be under-performing in comparison with others they should reevaluate the need and priorities for that service;
- where service improvements is unlikely to be forthcoming within a reasonable period of time or unlikely to match what could be provided by alternative providers, the Council will seek new supply arrangements through, wherever practicable, fair and open competition.

Championing the needs of their communities requires the council to be clear about their role as both commissioner of services in the interest of the community and as a provider of some of those services. Whatever the organisational arrangements put in place there should be in all cases clear mechanisms for commissioners to hold in-house provider functions to account for delivery.

### **3.5 Incentivising providers and sustainable funding**

In taking a long term sustainable perspective on best value, the council will need to consider appropriate measures to support and incentivise service providers, including in-house teams and partners. Such measures are likely to include linking payments to performance outcomes – especially the achievement of user satisfaction. Where possible, the council will provide longer-term stability of funding and contracting to enable more efficient planning by service providers, regardless of their sector.

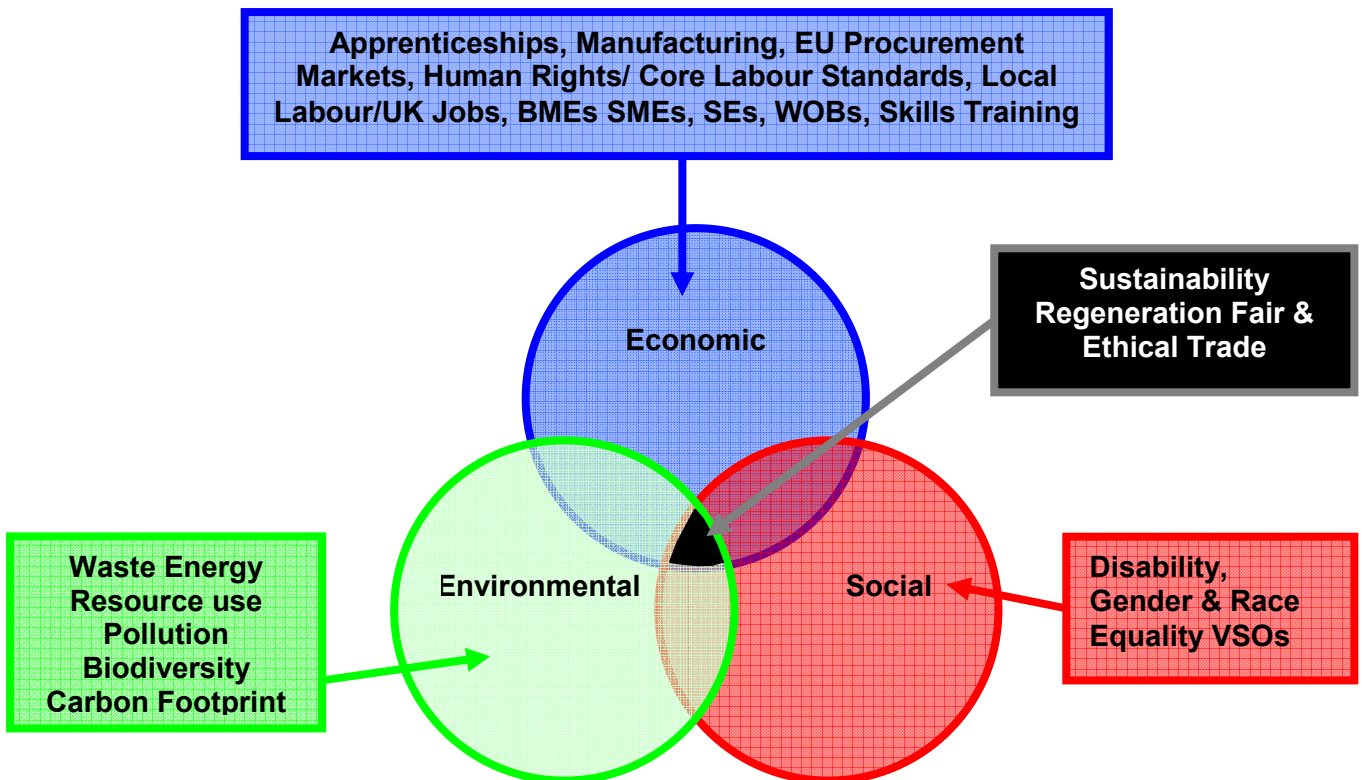
The council will be sensitive towards the capacity of both small and medium enterprises and their counterparts in the third sector, and work to establish a range of practical measures which will maximise their capacity to deliver community outcomes. Grants, alongside contracts, have a crucial role and should be used where they are more appropriate, particularly when building the capacity of partners, piloting new approaches to services and outcomes and in investing specific projects led by other partners. While there is a role for short-term grants for example in promoting new community-based organisations the starting point, subject to overall affordability and purpose, should be three years (or more). Though in all cases, the particular conditions attached to payments, incentives or to length of contract or grants should be determined by the duty to achieve best value.

#### 4.0 Why adopt a sustainable procurement and commissioning strategy?

Part I of the Local Government Act 2000 places a duty on the council to seek to promote and improve the economic, social and environmental well being of its area. The Council uses a wide range of products and services and spends millions of pounds each year on a wide range goods, services and works. These purchases meet the council's obligations to provide the services expected by residents and visitors, and have a significant impact on the long-term sustainability of the city and the wider South West region.

In the past, the full impact of the goods, services and works procured for the council was not always fully recognised. Environmental impacts, such as the creation of waste or the original source of the product, and social impacts, such as conditions of employment, were seldom fully considered.

This strategy integrates the increasingly important environmental, social and economic factors of supply and demand into the procurement and commissioning process. Furthermore, the adoption of this sustainable procurement and commissioning strategy demonstrates the council's commitment to sustainable development at every level. Figure 2 below graphically depicts this approach



***The key aim of the Council's Sustainable Procurement and Commissioning Strategy is to support the procurement of goods, services and works that meet our obligations to stakeholders and customers whilst balancing our environmental, social and economic objectives and our commitment to sustainable development.***

The strategy will therefore mean that the broader strategic social, environmental and economic impacts of the procurement and commissioning process will be considered when making future decisions on how best to procure goods, works and services.

The strategy also sets out the process for improving the sustainability of the Council's procurement and commissioning within the council by taking into account the factors required to be considered when acquiring goods, services or works. These include, but are not limited to:

- Consideration of the entire life cycle of products/assets including costs of disposal.
- The environmental impact over the life cycle of a product/asset, including its impact in terms of carbon dioxide emissions.
- Social aspects such as labour conditions, equality and diversities and fairly traded products.
- Any applicable regulations, requirements, conditions or specifications such as EU Directives.
- All local, regional, national or international policies contributing to sustainable development.
- The consideration of price, quality, risk, availability and functionality of goods, works and services.
- The consideration of goods, works and services that may stimulate innovation, create jobs and retain wealth in the area or contribute to the establishment of a low carbon economy.

Effective procurement and commissioning is crucial to achieve continuous improvement and to secure value for money in public services. It is important to ensure that procurement and commissioning decisions are legal, ethical, in accordance with the policies and procedures of the council and that consideration is given to the impact on the economic, social and environmental well being of the city.

Sustainable procurement and commissioning therefore compliments the corporate objectives of the council as well as a number of key drivers to this strategy. These include:

- The Council's Corporate Plan 2009-2010
- The Climate Change Strategy 2008 -2018
- The Carbon Management Strategy and Implementation Plan 2008
- The Economic Development Strategy 2008-2013

Coordinated and focused procurement and commissioning activity enables the council to proactively contribute to the delivery of its broader aims for the future of the city and the region.

## 5.0 Socially Responsible Procurement and Commissioning

The council is working regionally and nationally to develop models of socially responsible procurement and commissioning, and engaging with organisations, agencies and the independent and voluntary sector to test these models.

The three strands of socially responsible procurement and commissioning (economic, sustainable and environmental) are addressed in more detail below.

### 5.1 Economic Regeneration

The council is one of the largest spending organisations in the city and the sub-region, and the more money that is spent locally, the greater positive impact this will have on the local economy, particularly for small and medium sized businesses.

The council can legitimately support locally based businesses, by:

- 1) working pro-actively with local organisations to explain how to do business with the council, see; <http://www.exeter.gov.uk/lgnl/index.aspx?articleid=9086>
- 2) providing information about future procurement and commissioning activity, and advertising tenders on the council and other websites;
- 3) running “Meet the Buyer” events which encourage businesses to bring along developing products and services;
- 4) encouraging the development and utilisation of Business to Business portals to promote trading between businesses within Exeter;
- 5) encouraging suppliers to provide local services by local people where possible;
- 6) develop local [supply chains](#) through early engagement with the local market where there is the possibility to add value;
- 7) acknowledging that sustainability needs to be embedded by developing longer term contracts therefore the council policy will be to have a minimum of three year contracts except where the business case demonstrates this is not viable.

The challenge for procurement and commissioning is to balance the following potentially conflicting priorities of;

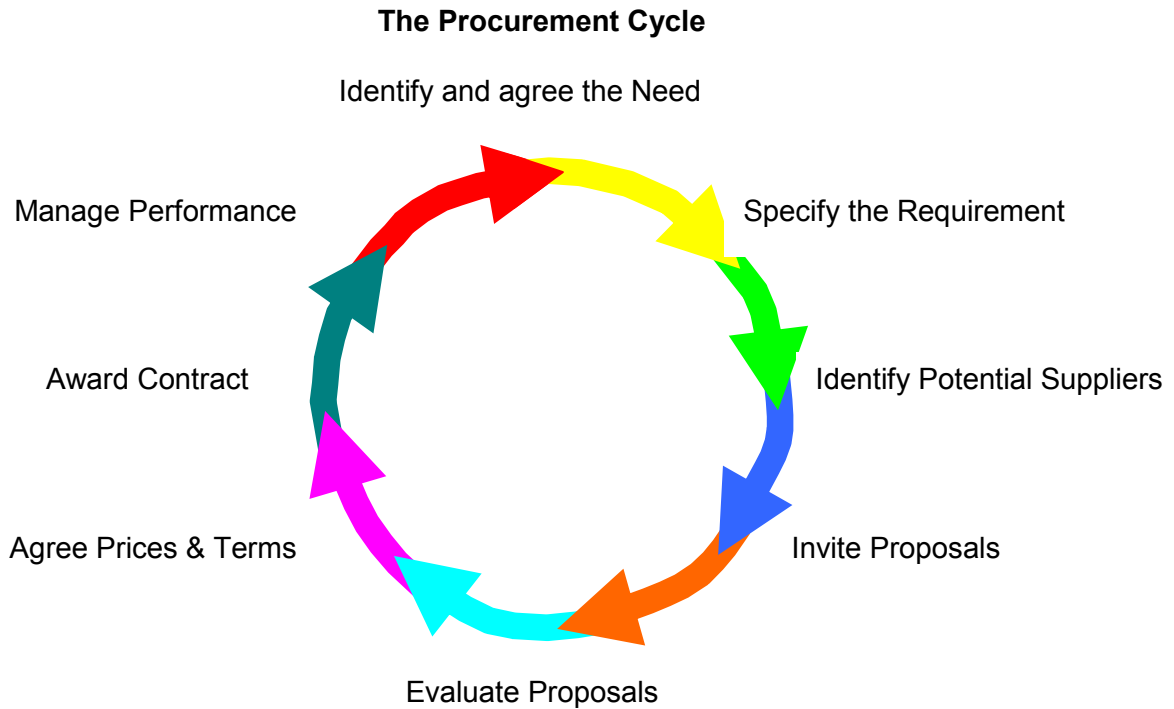
- delivering value for money with the required quality, and in accordance with any time constraints;
- sourcing locally where possible within the legislative framework;
- promoting the voluntary and social enterprise sector as a supplier of services.

The council recognises and values the added benefits that the voluntary and social enterprise sectors can provide. When exploring procurement and commissioning options the use of the voluntary and social enterprise sectors will always need to be considered. Proactive measures such as advertising on the council and other websites must be considered as well as any required advertising routes such as the [OJEU](#)

### 5.2 Sustainability and Environmental Management

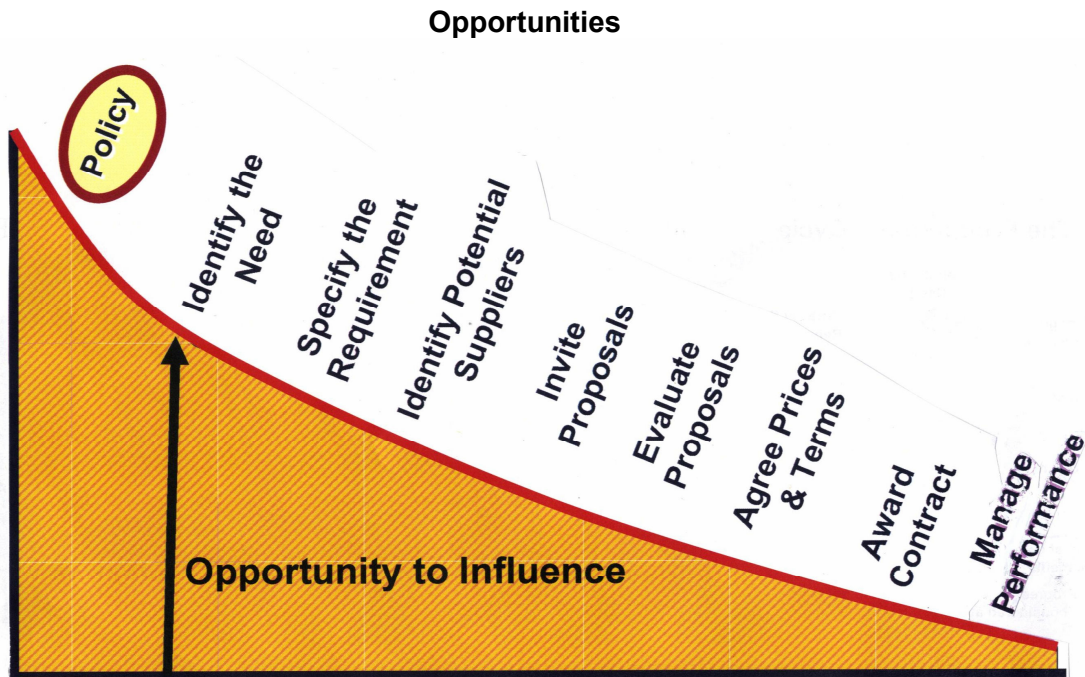
The council, along with its partners, is committed to ensuring that services are delivered in a way that protects the quality of the environment and minimises any adverse impact on community well being. The council recognises that procurement and commissioning is integral in delivering more sustainable outcomes for the city and the wider community. To achieve this it is necessary to ensure that environmental and broader sustainability considerations are taken into account throughout the procurement and commissioning process, along with the use of local suppliers where appropriate.

Figure 3 below shows the various stages in a typical procurement process



Opportunities exist at different stages of the procurement process where social and community benefits can legitimately be incorporated into the council’s requirements. However the ability to influence the process reduces as the process develops.

Greater impact can be made if such issues are considered at the earliest stages of the cycle. Figure 4 below shows how the opportunity to influence reduces through the cycle



Specific guidance on socially responsible issues in procurement and commissioning can be found as a toolkit document linked to the Council’s Good Practice Guide.

<http://intranet/index.aspx?articleid=1538&detailid=2138>

### 5.3 How will we achieve Sustainable Procurement and Commissioning?

This strategy adopts the Sustainable Procurement Taskforce [Flexible Framework](#) approach to sustainable procurement recommended by Central Government. In doing so, the strategy aligns council policy with the national principles and priorities for sustainable development. This flexible framework advocates five key themes (The Flexible Framework is annexed as Appendix I):

1. People
2. Policy, strategy and communication
3. Procurement process
4. Engaging suppliers
5. Measurements and results

The Council has identified the opportunities offered by the flexible framework to challenge and improve its sustainable procurement practices. To achieve at least level 3 it is apparent that emphasis needs to be targeted at engagement with the supply chain to instigate better supply chain management as well as risk management within the supply chain.

It is considered that the greatest impact can be made through suggesting practical steps and actions to be taken by suppliers, principally to save energy and waste. This would, as a by product, not only evidence their sustainable practices but would also bring the benefits of cost savings and business growth to them whilst lowering their [carbon footprint](#). Encouraging such action would support and contribute to the councils target to reduce carbon emissions by 20% by 2013 both for its operations but also across the City. To respond to this challenge the council has developed a sustainability accreditation system titled the “Green Accord”.

<http://www.exeter.gov.uk/index.aspx?articleid=7533>

The Green Accord scheme is an accreditation system developed by the Council that drives sustainable procurement forward. It is considered a “green” mark, principally for contractors/suppliers/consultants, to evidence and promote how they work in a sustainable way. There are three levels of accreditation that can be achieved, Select, Superior and Premier. Such levels afford even the smallest companies, with little resources, the chance to achieve the accreditation at entry level (Select), whilst providing the opportunity to continuously improve and achieve the highest level of Premier in due course.

It is mandatory for all Approved List contractors to sign up to the Council’s Green Accord scheme and meet a minimum requirement on the self assessment if they are to achieve entry onto and remain on the Council’s [approved list](#).

The Green Accord promotes the option for organisations to set in place an Environmental Management System such as ISO14001 or BS8555. However, whilst very worthy, both standards focus heavily on policy. These standards also take a considerable amount of investment in resources to achieve. The Green Accord however goes further than these standards as it requires actions and is less policy focused.

It is expected that all organisations who supply goods, works and services to the Council in future be Green Accord accredited. This will help meet the targets set down by the Flexible Framework; it will also help meet the challenge to reduce the council’s carbon emissions so meeting one of the principal council strategic objectives. The extension of the Green accord across all areas of council procurement and commissioning is a key target in the action plan (Appendix II).

The council will continue to work with other organisations and agencies to establish and promote minimum recycled content standards for use in construction, highways maintenance, estates management and all printed matter, and will establish minimum environmental standards for all construction, refurbishment and maintenance work.

## 5.4 Equality

The council as an influential democratically elected body is able to promote a positive approach to equality throughout the region. In its procurement and commissioning processes it demonstrates its commitment to all its users, suppliers and contractors by ensuring that contractual arrangements actively promote equality.

Our Procurement and Commissioning Equality of Opportunity statement explains the Council's expectations.

***The City Council is committed to meeting its legal duties under the six strands of equality. Our aim is to eliminate discrimination, promote equality of opportunity and promote positive relations in the delivery of all services. The Council is responsible for meeting its duty on all functions, including those which are carried out by an external supplier. All organisations wishing to contract with the Council must be able to demonstrate that all reasonable practicable steps are taken to allow equal access and equal treatment in employment and service delivery for all.***

Our aims, objectives, actions and targets for equality are included as part of the action plan at Appendix II.

## 5.5 Health and Safety

The Council will demonstrate best practice in health and safety management. The Council is striving to become an exemplar and lead the way in improving health and safety performance in the private sector and those organisations they contract with, to promote best practice right through the supply chain.

Our aims, objectives, actions and targets for health and safety are included as part of the action plan at Appendix II.

## 6.0 Principles for Effective Procurement and Commissioning

Procurement and commissioning decisions such as whether to continue to provide the goods, services or works, and whether to provide them internally or externally are central to this requirement. The following principles will form the basis of all procurement and commissioning activity in order to achieve value for money and thereby demonstrate economy, efficiency and effectiveness of service delivery:

- Procuring services strategically will support improved service delivery through the freeing up of resources and improving the quality of goods, services and works.
- Procuring and commissioning services strategically will ensure that the Council obtains value for money in the acquisition and management of its resources, balancing quality, total life, total acquisition costs and the wider well being objectives.
- The council will undertake all procurement and commissioning activity within a corporate framework to enable all officers to obtain goods, services and works to the required quality in the most efficient manner, to enable the council to respond promptly and effectively to internal services and citizen requirements.
- The council will ensure that procurement and commissioning activity is undertaken in the most effective and appropriate manner, considering all options including but not exclusively:
  - a) developing and promoting use of corporate contracts
  - b) undertaking vendor and contract management
  - c) using approved nationally negotiated contracts (for example those arranged by the Office of Government Commerce where considered appropriate
  - d) using approved [e-procurement](#) solutions wherever possible
  - e) developing strategic partnerships, particularly where they will deliver significant service improvement and/or efficiencies.
  - f) improving the capability of the small and medium sized enterprises to bid for goods, works or services in accordance with the [SME](#) Concordat and of the capability of the third sector to tender for council contracts. Also to identify gaps where we do not have local suppliers and to seek to develop the market.
  - g) utilising our partners/suppliers supply chains
  - h) undertaking collaborative procurement with other Councils and organisations
  - i) valuing innovation and creativity
- Procurement and commissioning activity will support, promote and be driven by council policies and priorities, including equality and diversity objectives, sustainability and economic regeneration and stakeholders interests.
- Procurement and commissioning activity will be transparent (and fully compliant with the [Freedom of Information](#) Act, fair, and consistent and be undertaken to the highest standards of probity and accountability. All procurement and commissioning decisions will be evidence based.
- The Council will manage procurement and commissioning through its Procurement and Commissioning Group. The group is a corporate resource, which leads on letting corporate contracts and supporting projects, whilst allowing services (which have best knowledge of local service requirements) to procure and commission locally within a clear corporate framework. It will provide support wherever required to services, and monitor procurement activity across the council. It will undertake '[Gateway Reviews](#)' of all strategic procurement and commissioning projects to ensure the optimal benefit to the Council is achieved.

- The choice of procurement and commissioning methods will seek to ensure simple or routine transactions can be carried out in the most efficient manner, be dependent upon the strategic importance, the value of the goods, services or works, and the potential risk associated with each procurement option. Different procurement and commissioning options will be suitable for different goods, works and services and will involve undertaking different practical steps to achieve the desired outcome. The council will develop its overall management of procurement and commissioning by modelling its requirement on a risk / value matrix as illustrated below in figure 4.

↑	<b>BOTTLENECK</b>	<b>STRATEGIC</b>
	Low-value / high-risk procurements and commissions may be critical for service delivery. Processes may include use of multiple suppliers, secondary contracts, etc.	High-risk / high-value procurements and commissions require careful project management, and in certain cases strategic partnerships may be an option.
↓	<b>ROUTINE</b>	<b>LEVERAGE</b>
	Low-risk / low-value procurements and commissions benefit from arrangements such as e-procurement solutions and purchasing cards	Low-risk / higher-value (for example, bulk supplies) should be covered by appropriate corporate arrangements such as stationary and office furniture
	RISK	VALUE →

- The training and development needs of all officers buying for the council will be assessed via the use of a competency framework, which will be developed by the Procurement and Commissioning Group, and will be part of the employee appraisal process.
- Employees undertaking procurement and commissioning will not make a commitment to purchase unless there is an adequate budget in place.
- Performance indicators and targets (based on both quality and cost) will be established as part of procurement and commissioning processes.
- Procedures to manage contractual arrangements will be established with performance measured and reported, including benchmarking arrangements.
- Procurement and commissioning procedures and processes will be developed and regularly reviewed.
- The management of risk will be an integral part of the procurement and commissioning process.
- The Council will invest where appropriate in procurement, commissioning and contract management training and the systems to support these processes.

Procedures to manage contractual arrangements will be established with performance measures, including benchmarking arrangements, and will be reported periodically

It is important that procurement and commissioning are seen as cycle of activity, figure 5 below shows this

## 6.1 Procurement and commissioning method:

Individual procurement and commissioning decisions should also be considered on their own merits following an appraisal of the suitable procurement and commissioning options. It is important that the option selected is the one most likely to deliver value for money to the council and the community.

## 6.2 Partnerships and Partnering

The council acknowledges the importance of partnerships in delivering services. It already benefits from a range of partnerships (with private, public, independent and voluntary organisations). For clarity the term partnerships refers to a relationship between two or more independent legal bodies, organisations or individuals working together to achieve a common vision with clear aims and objectives.

The council delivers a range of services which could be delivered through partnerships. This is an area of potential growth that requires further support and development, and the council will implement the good practice guidance published by the Office of Government Commerce and other bodies where appropriate.

In specific instances (subject to the evidence of a robust business case), a properly procured, commissioned and managed strategic service delivery partnership can deliver ways in which the council can realistically achieve step-changes in service quality. Strategic partnering can provide access to new skills, resources and ways of doing things and allow for innovation and the pursuit of difficult or long-term goals. Partnerships can provide access to investment, skills, and new opportunities that the council is unable to acquire alone. The council acknowledges that for all of the above arrangements there has to be some key activities undertaken including, but not limited to the below;

- An agreed clear vision with strong leadership
- A written signed agreement between all partners
- Sound governance arrangements with a clear role for the Accountable Body
- Effective performance management
- Clear lines of accountability
- Agreed reporting and reviewing routes between all parties
- Robust financial and performance management arrangements
- Robust process to identify, analyse, manage and monitor risks throughout the life of the arrangement
- A clear exit strategy drawn up

The council is committed to providing quality services now and in the future and will explore all options that will:

- support the council's policies and priorities
- be driven by corporate priorities and desired outputs and results
- balance quality and cost and wider well-being objectives
- respond promptly and effectively to service and citizen requirements
- maximise the effectiveness and efficiencies of the council's procurement and commissioning processes
- ensure simple or routine transactions can be carried out in the most efficient manner
- value innovation and creativity
- use competition to obtain best value
- be transparent and accountable
- join with other public sector agencies to add value for money
- obtain the most appropriate solution

## 7.0 Code of Conduct for Procurement and Commissioning

All procurement and commissioning activity must be undertaken to the highest standards of ethics and probity. The council insists on high ethical standards from its suppliers, and in turn it must exhibit the highest ethical standards itself. Officers and members must not only be fair and above board in all business dealings, but must also avoid any conduct that is capable of having an adverse interpretation put on it.

All employees must adhere to the requirements placed upon them by Contract Regulations and [Standing Orders](#) and in terms of procurement and commissioning activities act professionally by.

- Maintaining the highest possible standard of integrity in all business relationships, both inside and outside their organisations.
- Rejecting business practice, that might reasonably be deemed improper, and never using their personal authority for personal gain.
- Enhancing the proficiency and stature of the profession by acquiring and maintaining current technical knowledge and the highest standards of ethical behaviour.
- Fostering the highest possible standards of professional competence amongst those for whom they are responsible,
- Optimising the use of resources, which they are responsible for, or influence to provide the maximum benefit to their organisation.
- Complying both with the letter and the spirit of:
  - The Public Procurement Legislative Framework
  - Contractual obligations.

## 8.0 Council Commitment

### 8.1 Procurement and commissioning strategy

Our sustainable procurement and commissioning strategy identifies:

- The role that procurement and commissioning plays in delivering the council's objectives and its contribution to the community, workforce issues, diversity and equality and sustainability.
- How we will encourage a diverse and competitive supply market, including small firms, social enterprises, ethnic minority businesses and voluntary and community sector suppliers.
- Our approach to individual contracts (including large contracts and [framework agreements](#)) ensures that they are supported by a sound business case and options appraisal.
- where we decide that the best value option is to aggregate supply or let a longer term contract or framework agreement we will invite bidders to demonstrate their track record in achieving value for money through effective use of their supply chain, where appropriate.
- the role of SME specialist suppliers in delivering elements of larger contracts and framework agreements.

### 8.2 Access to contract opportunities

- We will publish on our website;
  - Guidance for suppliers on how to do business with the council,
  - details of forthcoming bidding opportunities, and
  - contact details for each contract,
  - details of our key suppliers.
- We will advertise contracts by using a range of publications and other means in order to encourage greater diversity and competition.
- We will give potential suppliers an opportunity to discuss the procurement or commission in order to understand our requirements and assess their own suitability. Nothing will be done, however, which would give a particular business or provider an unfair advantage in competing for a specific contract.
- We will work with prime contractors – both at tender stage and during the life of a contract - to establish the contribution that small firms, ethnic minority businesses, social enterprises and

voluntary and community sector suppliers can play in the supply chain. We will provide details of our prime contractors on our website.

### **8.3 Fair tender processes**

- We will apply our rules and policies fairly.
- At pre-tender stage and during the tender process we will ensure that all tenderers have equal access to relevant information.
- We will keep the tender process as simple as possible in order to help minimise the costs to suppliers.
- If a pre-qualification stage is used we will use a council-wide prequalification questionnaire containing common core questions with limited bespoke additions for each contract. We will work with regional and national partners to ensure a consistent approach to pre-qualification.
- We will assess potential suppliers against published pre-qualification and tender evaluation criteria. These criteria will be proportionate to the risks of the individual contract process. In particular the criteria relating to financial standing will not to be set unreasonably exclude newer or small businesses.

### **8.4 Feedback**

- We will offer meaningful feedback where requested to suppliers following the procurement and commissioning process in order that they can improve for future tenders.
- We will seek feedback from suppliers, and their respective trade associations, on our tender processes and address where we can any problems that are brought to our attention.
- We will publish a complaints procedure.

### **8.5 Contract management**

- We will treat suppliers openly and fairly. Suppliers will:
  - Be paid on time. As quickly as possible but no more than 30 days from receipt of an undisputed invoice.
  - Receive honest and constructive feedback on the supplier's performance of the contract.
  - Be given notice of any performance problems and an opportunity, if appropriate, to put matters right.
- All contracts will require our suppliers to pay their sub-contractors, throughout the supply chain, within a maximum of 30 days from receipt of an undisputed invoice.
- All contracts will clearly set out what is required of all parties.

### **8.6 Supplier commitments**

As customers we will make clear to our suppliers, and those wishing to do business with us, what is expected of them.

## Appendix I - The Flexible Framework

Flexible Framework	Foundation	Embed	Practice	Enhance	Lead
	Level 1	Level 2	Level 3	Level 4	Level 5
People	Sustainable procurement champion identified. Key procurement staff have received basic training in sustainable procurement principles. Sustainable procurement is included as part of a key employee induction programme.	All procurement staff have received basic training in sustainable procurement principles. Key staff have received advanced training on sustainable procurement principles.	Targeted refresher training on latest sustainable procurement principles. Performance objectives and appraisal include sustainable procurement factors. Simple incentive programme in place.	Sustainable procurement included in competencies and selection criteria. Sustainable procurement is included as part of employee induction programme.	Achievements are publicised and used to attract procurement professionals. Internal and external awards are received for achievements. Focus is on benefits achieved. Good practice shared with other organisations.
Policy, Strategy & Communications	Agree overarching sustainability objectives. Simple sustainable procurement policy in place endorsed by CEO. Communicate to staff and key suppliers.	Review and enhance sustainable procurement policy, in particular consider supplier engagement. Ensure it is part of a wider Sustainable Development strategy. Communicate to staff, suppliers and key stakeholders.	Augment the sustainable procurement policy into a strategy covering risk, process integration, marketing, supplier engagement, measurement and a review process. Strategy endorsed by CEO.	Review and enhance the sustainable procurement strategy, in particular recognising the potential of new technologies. Try to link strategy to EMS and include in overall corporate strategy.	Strategy is: reviewed regularly, externally scrutinised and directly linked to organisations' EMS. The Sustainable Procurement strategy recognised by political leaders, is communicated widely. A detailed review is undertaken to determine future priorities and a new strategy is produced beyond this framework.
Procurement Process	Expenditure analysis undertaken and key sustainability impacts identified. Key contracts start to include general	Detailed expenditure analysis undertaken, key sustainability risks assessed and used for prioritisation.	All contracts are assessed for general sustainability risks and management actions identified. Risks	Detailed sustainability risks assessed for high impact contracts. Project/contract	Life-cycle analysis has been undertaken for key commodity areas. Sustainability Key Performance Indicators

Flexible Framework	Foundation	Embed	Practice	Enhance	Lead
	Level 1	Level 2	Level 3	Level 4	Level 5
	sustainability criteria. Contracts awarded on the basis of value-for money, not lowest price. Procurers adopt Quick Wins.	Sustainability is considered at an early stage in the procurement process of most contracts. Wholelife- cost analysis adopted.	managed throughout all stages of the procurement process. Targets to improve sustainability are agreed with key suppliers.	sustainability governance is in place. A life-cycle approach to cost/impact assessment is applied.	agreed with key suppliers. Progress is rewarded or penalised based on performance. Barriers to sustainable procurement have been removed. Best practice shared with other organisations.
Engaging Suppliers	Key supplier spend analysis undertaken and high sustainability impact suppliers identified. Key suppliers targeted for engagement and views on procurement policy sought.	Detailed supplier spend analysis undertaken. General programme of supplier engagement initiated, with senior manager involvement.	Targeted supplier engagement programme in place, promoting continual sustainability improvement. Two way Communication between procurer and supplier exists with incentives. Supply chains for key spend areas have been mapped.	Key suppliers targeted for intensive development. Sustainability audits and supply chain improvement programmes in place. Achievements are formally recorded. CEO involved in the supplier engagement programme.	Suppliers recognised as essential to delivery of organisations' sustainable procurement strategy. CEO engages with suppliers. Best practice shared with other/peer organisations. Suppliers recognise they must continually improve their sustainability profile to keep the clients business.
Measurements & Results	Key sustainability impacts of procurement activity have been identified.	Detailed appraisal of the sustainability impacts of the procurement activity has been undertaken. Measures implemented to manage the identified high risk impact areas.	Sustainability measures refined from general departmental measures to include individual procurers and are linked to development objectives.	Measures are integrated into a balanced score card approach reflecting both input and output. Comparison is made with peer organisations. Benefit statements have been produced.	Measures used to drive organisational sustainable development strategy direction. Progress formally benchmarked with peer organisations. Benefits from sustainable procurement are clearly evidenced. Independent audit reports available in the public domain.

## Appendix II – Action Plan

The success of this procurement & commissioning strategy will be assessed against a range of measures, the key tasks for 2009/2010 are identified in the table below. In addition an annual procurement and commissioning plan detailing specific actions for the forthcoming year will be approved by the Council.

<b>TASK</b>
Develop and implement models of sustainable procurement that address social, environmental and economic issues.
Establish and promote minimum recycled content standards for products used in construction, highways maintenance, estates management, and establish and promote minimum environmental standards for all construction, refurbishment and maintenance work.
Complete the integration of all the Council's e-procurement solutions with the corporate financial systems to streamline the procurement process and maximise transactional savings.
Use the corporate financial systems and e-procurement solutions to reduce rogue spend to a minimum.
Review the council's approach to assessing the health and safety competency of potential suppliers and contractors building of the 'Managing of Contractors' guidance.
Have reviewed the action plan to take account of the outcome of the review of unitary status.
Proactively engage with other authorities and organisations in the region to seek to develop common procurement documents where possible to further simplify the procurement process for bidders.
Baseline the amount spent by the council with voluntary and community sector organisations in order to set a target for increasing spend with this sector during 2010-12.
Review and improve the 'Selling to the Council' web page for businesses in the district.
Have achieved a minimum of level 3 in the Sustainable Procurement Flexible Framework with level 5 in at least two categories.
Demonstrate high quality effective procurement and commissioning activity across the Council through a range of performance indicators.
Investigate the viability of running annual 'Meet the buyer' events to increase the level of opportunity for local businesses.
Ensure leisure management and housing procurement strategies reflect best practice and deliver real benefits to the council
Develop procurement good practice guide and toolkit.
Provide advice, guidance and gateway review to strategic procurement projects.
Contribute to the achievement of efficiency by the use of innovative contract arrangements such as, e-auctions, frameworks or call off contracts.
Work with Devon Procurement Partnership and RIEP to identify opportunities to share expertise.
Develop an approach to asset acquisition to ensure compliance with Procurement Strategy.
Combine the building and engineering approved lists into one consolidated approved list to provide greater consistency and clarity and seek to extend in partnership with other districts and the University.

## Appendix III – Glossary

<b>Aggregation</b>	Means the adding together of spending on the same or similar items by individual services to provide one total across the Council. <b>Public Procurement Legislation</b> has specific requirements in respect of aggregation.
<b>Approved List</b>	Means the list of construction related contractors who have satisfied the Council they are financially and technologically capable of carrying out specific types of work of a certain value. The list is reviewed on an ongoing basis.
<b>BME</b>	Means black and minority ethnic and is used in the context of the strategy to refer to businesses that are run by or employ predominantly black and minority ethnic individuals.
<b>Carbon Footprint</b>	Means the amount of CO <sup>2</sup> that is released by the performance of an activity.
<b>Collaborative Contracts</b>	Means contracts that have been let either by a group of Councils or an individual Council to which other Councils have agreed to be part of either before the contract is let or subsequently. The economy of scale this provides tends to provide greater efficiency.
<b>Commissioning</b>	Means the process whereby contracts are let with the active involvement of service users throughout the process. It encapsulates the process of market intelligence, planning and research functions in order to secure services which meet agreed user outcomes. It has developed from the health sector to other areas of procurement (see procurement and purchasing)
<b>Consortium</b>	Means a formal or informal group of Councils or businesses that come together with a specific aim. In the context of the strategy it usually refers to buying consortiums or bidding consortiums.
<b>Contracts Regulations</b>	Means the Council's rules that apply to all contracts and are part of the Standing Orders within the Council's Constitution.
<b>Corporate Contracts</b>	Means contracts that are let on behalf of the Council and that which all Council staff must use in order to maximise the benefit in terms of discounts or reduce transaction costs to the Council.
<b>E-Procurement</b>	Means the use of electronic systems to acquire goods, works, services and payments from third parties.
<b>EU Regulations</b>	Means the European Union Directives that govern procurement by councils and other public bodies. The directives are enforced by Regulations made by the Government.
<b>Fair Trade</b>	Means goods that are bought in a way that provides a sustainable income to those that produce the goods.
<b>Flexible Framework</b>	Means the targets set by the Government relating to procurement which all Councils have to work towards achieving.
<b>FOI</b>	Means the Freedom of Information Act which requires councils to provide information following a formal request to do so. Some limited contractual information may be considered exempt.
<b>Framework Agreement</b>	Means an arrangement where a limited number of usually specialist contractors have been pre-approved and have agreed rates for providing works, goods or services to the council.
<b>Gateway Review</b>	Means a process which examines a project at a critical stage in its life cycle to ensure that it is still complying with the original business case to provide assurance it can progress successfully to the next stage.

<b>OJEU</b>	Means the Official Journal of the European Union and is the publication by which contracts are advertised electronically.
<b>Performance Indicator (PI)</b>	Means a defined target, either national or local which measures achievement in a function or service.
<b>PFI (Private Finance Initiative)</b>	Means a method of obtaining funding credits from Government to carry out large capital schemes.
<b>PPP (Public-Private Partnership)</b>	Means an agreement between the council and a Private Sector Partner (s) usually where the private sector makes some investment.
<b>Private Contractor</b>	Means a contract where one organisation organises and is responsible for all of the sub contractors and suppliers necessary to fulfil the contract obligations.
<b>Procurement</b>	The term “procurement” relates to the process of acquiring goods, services and works, from pens to service delivery partnerships, from bricks to new buildings, from the initial concept through to the end of the useful life of the asset or service contract. Procurement ranges from the negotiation of corporate contracts for the supply of routine goods and services through to the more complex partnership arrangements such as Public / Private Partnerships (PPP), joint commissioning with other third sector and public sector organisations and construction projects.
<b>Procurement and Commissioning Group</b>	Means the group chaired by the Head of Contracts that take a strategic view on the Council’s Procurement and Commissioning including Gateway Reviews of strategic projects.
<b>Public Procurement Legislation</b>	Means the rules applied to procurement and commissioning local authorities and other bodies by EU Directives which are transposed into UK Law by means of regulation.
<b>Purchasing</b>	Means the buying of simple goods or repetitive ordering and paying for goods or services.
<b>SME (Small and Medium Enterprise)</b>	Means a business with less than 500 staff.
<b>Social Enterprise</b>	Means organisations that use trading activities to achieve their goals through financial self-sufficiency. They are businesses that combine the entrepreneurial skills of the private sector with a strong social mission. Sheltered workshops are an example.
<b>Social Responsibility</b>	Means having consideration for the wider social impact the council activities can have and trying to maximise the benefit to the wider community.
<b>Standing Orders</b>	Means the rules by which the council conducts its business.
<b>Supply Chain</b>	Means the contractors, sub contractors and their suppliers that are employed as a result of the Council choosing to obtain goods, services and works from outside organisations.
<b>Third Sector</b>	Means the generic name for voluntary charity and social enterprise organisations forming the social sector of the economy.
<b>Vendor Management</b>	Means the process of using the council’s influence proactively to maximise the benefit from a supply chain.
<b>Whole Life Costs</b>	Means the calculation of the total cost to the Council of acquiring an asset and includes such things as ongoing revenue and resource costs, the initial capital investment and disposal costs.
<b>WOB</b>	Means women only businesses and is used to describe businesses run and staffed exclusively by women.