

Dover District Council

Procurement Strategy

2023 – 2026

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Introduction

Dover District Council spends more than £30 million a year on goods, services, and works and therefore how it conducts its procurement activity is fundamental to delivering successful projects, service improvement and ensuring any expenditure represents value for money for the residents of Dover.

Procurement can be defined as: -

'The acquisition of goods, services or works, covering the full life cycle from the identification of the business need through to the end of a contract or the end of the useful life of an asset or service end.'

Procurement, however, is more than just 'buying' and looks to play an increasing role in the way we deliver projects and services across the district. By challenging historic purchasing trends and existing service delivery methods for example, it can also help identify and deliver further efficiencies, savings and improved service delivery.

Aims

The Strategy applies to the Council as a whole and aims to set the overall context for procurement across the Council over the next three years incorporating the latest government procurement legislation and initiatives alongside the Council's priorities, aims and objectives.

The Strategy establishes how the Council will conduct its procurement activity in an ethical, efficient, economic, and effective procurement manner that will reflect both national and local policies/priorities by:

- meeting the Council's operational requirements
- delivering value for money
- supporting the Council's Corporate Plan and other adopted Council Strategies & Plans
- aligning with the National Procurement Strategy (NPS) for Local Government in England 2022

The implementation and adoption of this Strategy will ensure procurement plays a key role in delivering the above and seeks to ensure a path of continuous improvement for the Council across its procurement activity.

Background

Launched at a time of both opportunities and pressures on procurement given the backdrop of budget restrictions, increased costs within the supply market, greater demand on services and imminent new procurement legislation - the importance the Council attaches to how it conducts its procurement activity has never been greater.

This importance is acknowledged by the commitment which Members and Officers have made in supporting this Strategy which sets the overall context for procurement within the Council over the next three years. This Strategy is aligned with delivering the objectives of both the National Procurement Strategy for Local Government in England 2022 (NPS) and the Council's Corporate Plan highlighted below.

The National Procurement Strategy for Local Government in England 2022 (NPS) sets out the ambition of the sector and focuses on three key themes which councils have identified as the sectors priorities:

Showing Leadership – engaging with senior managers, councillor’s, strategic suppliers and partners in relation to procurement and commercial matters

Behaving Commercially - the importance of creating commercial opportunities and income generation, managing risk, existing contracts and relationships

Achieving Community Benefits - creating social value through procurement and engaging with SMEs and micro businesses

The NPS also outlines the key “enablers” which have been identified to assist local authorities in meeting these priorities. These include adding value, developing talent, exploiting digital technology, enabling innovation and embedding change.

The Councils Corporate Plan provides the overarching strategic direction for the Council and sets out a clear direction for all services delivered by the Council. A common requirement throughout the Plan is for the Council to provide high quality, value for money services to the district while supporting the Councils sustainability objectives, working in partnership and developing the local economy. The Council recognises that good procurement practices have a significant part to play in supporting the achievement of these objectives: -

- Regeneration-Tourism & Inward Investment
- Housing & Community
- Climate Change, Environment & Assets

Common throughout these themes is the requirement for the Council to provide high quality, value for money services to the district while supporting the Councils sustainability objectives, working in partnership and developing the local economy. The Council recognises that good procurement practices have a significant part to play in supporting the achievement of these objectives.

Responsibilities & Roles

The National Procurement Strategy recommends that local authorities demonstrate political and senior officer leadership of procurement. To align with this approach the following roles and responsibilities shall apply in respect of procurement within the Council: -

Council

- Council’s Constitution including Finance Procedure Rules and Contract Standing Orders

Cabinet

- Approval of this Procurement Strategy
- Making key decisions in the procurement process for high risk/value projects
- Approving a new service or a substantial variation in service delivery

Overview and Scrutiny Committee

- Reviewing key decisions in the procurement process for high risk/value projects

Corporate Management Team (CMT)

- Reviewing progress of this Procurement Strategy on its strategic aims
- Ensuring this Procurement Strategy aligns with the Council’s corporate objectives

Procurement Manager/Team

- Development of this Procurement Strategy
- Providing professional advice and guidance, development of corporate procurement systems, policies, processes and procedures
- Overseeing all the Council's procurement activity including undertaking Invitations to Quote (ITQ), Invitation to Tender (ITT) (where above Contract Standing Orders thresholds)

Directors, Heads of Service and Responsible Officers

- Each Director shall have overall responsibility for the purchasing undertaken by his/her Directorate
- Each Head of Service shall be responsible for the purchasing undertaken by his or her Service and shall appoint their Responsible Officer(s) to conduct procurement
- Responsible Officers purchase the goods, services or works on behalf of the Council (and contract manage those contracts established in their respective service area) in consultation with the Procurement Team and compliance with Council's Contract Standing Orders (CSO's) and this Strategy.

For specific, high value or high-risk contracts, Project Teams will be established to ensure that the relevant technical, procurement, legal and commercial issues are considered and managed by the appropriate Officers (and Members) where applicable.

Procurement Structure

Procurement is structured into defined areas within the Council, with both central and devolved procurement functions. Low value/low risk purchasing activity shall be conducted locally amongst service areas, with the responsibility for professional advice, corporate systems, procedures, and overall procurement responsibility residing with the Procurement Team.

This mixed approach to procurement seeks to ensure the benefits of local knowledge and service delivery expertise are complemented by centrally established controls, processes and procedures that are consistent and proportionate in their approach. Whilst the devolved budget enables responsible officers the remit to determine whether they wish to purchase goods, services or works, having made that decision they will follow any established procurement policies, procedures, and guidance to support this Strategy.

Procurement Regulations & Best Practice

The Council's procurement activity operates in a highly regulated environment that is governed by legislation and policies set nationally through statute such as the Public Contract Regulations 2015 and locally by the Council's Constitution and Contract Standing Orders.

The Public Contract Regulations have operated in conjunction with the previous EU Procurement Regulations since 2015 and superseded them when the UK left the EU in 2020. The Regulations provide detailed instructions on how public procurement over applicable thresholds should be completed. This legislation is being reviewed under the government's 'Transforming Public Procurement' agenda and following a period of consultation, it is expected that these regulations will come into force in 2024.

The Council's Contract Standing Orders (part of the Constitution) set out the structure for which procurement decisions are made and the minimum requirements of any Officers undertaking procurement activity on behalf of the Council, ensuring compliance with the Public Contract Regulations (and any other applicable legislation). Any such changes necessary to its Contract Standing Orders will be approved by the Council and communicated to all Officers as appropriate to ensure compliance with the Regulations.

Aligned with the above, the Procurement Team will publish and maintain a detailed Procurement Guide that provides simplistic and practical advice and guidance on their application. The Guide will incorporate and share best practice advice and guidance for undertaking any devolved procurement activity within the Council.

The Council's Contract Standing Orders and Procurement Guide will be reviewed periodically to ensure they remain fit for purpose, reflect proportionate controls and changes in best practice or legislation (for example, the forthcoming Transforming Public Procurement Legislation early 2024).

Procurement Policy

In making decisions about procurement and carrying out its procurement function's, the Council will:

- **Take a long-term strategic view of procurement**
including market engagement, opportunities for joint working/collaboration and maximising e-commerce.
- **Apply the principles of best value to all procurement decisions**
to achieve efficiency, effectiveness and value for money and continuously challenge current provision arrangements by comparison with best practice.
- **Operate legally and to the highest ethical standards**
having regard to UK law, the Council's Contract Standing Orders, and professional codes of conduct - Members and Officers will preserve the highest standards of honesty, integrity, impartiality, and objectivity.
- **Achieve a reputation for fair and open competition**
through openness and transparency in our evaluation, decision-making and award of contracts including the publication of our award criteria and providing open and meaningful feedback to suppliers.
- **Strive for continuous improvement**
continuing to review best practice disseminated by government, professional bodies, and other local authorities, incorporating such improvements into the Council's procurement policies and procedures.
- **Test our effectiveness**
benchmarking our approach and performance using Government Tool Kits (such as the NPS Strategy & Social Value Maturity Index) and regional benchmarking exercises.
- **Encourage environmentally advantageous products and services**
working with suppliers (where possible) to minimise the environmental and social impacts associated with any goods, services and works procured, referencing the Council's environmental and sustainability objectives.
- **Develop procedures**
which guides the procurement; and provides transparency of decision making and support staff in the process of identifying and realising their procurement needs.
- **Develop and improve procurement skills**
ensuring that the Council's procurement activities are undertaken by staff with the appropriate skills and by providing training and professional support to all Officers with responsibility for making procurement decisions and/or purchasing goods, services and works.

Procurement Delivery & Contract Options

Prior to any procurement, the Council will consider 'demand management' principles to ensure that the Council's needs are being appropriately met whilst negating any unnecessary resource or expenditure. Demand Management in procurement can challenge the original rationale, quantity or specification of the potential purchase with three basic questions:

- **Eliminate** – is the requirement really needed? What is the outcome/risk if we stop doing something or don't purchase?
- **Replace** – can we use a lower cost or alternative option? Do we need a 'gold plated' service?
- **Reduce** - can we buy fewer items/reduce usage? Can we reduce service levels previously required- balancing risk/impact?

The Council will also consider and review (once the requirement has been established), the range of delivery options available for the goods, services, or works to be procured. Delivery options will consider not only the value of the goods, services, or works but also their strategic importance and any potential risks associated with them (as per examples below):

- **Routine** - low risk/low value (e.g., stationary) suitable for GPC cards and 'on-line' platforms
- **Leverage** – low risk/higher value (e.g., mobile phones) suitable for centrally established Council wide contracts using approved frameworks etc.
- **Bottleneck** – low value/high risk (e.g., laptops) critical for service delivery, may include use of multiple suppliers, secondary contracts
- **Strategic** – high value/high risk – (e.g., refuse collection) require careful project management, and in certain cases strategic partnerships/joint working

In considering how best to procure goods, services and works, Directors, Heads of Service and/or Responsible Officers will consult with the Procurement Team to consider wider contractual delivery opportunities and purchasing methods including:

- market testing the goods, services or works to be procured
- reviewing established routes such as frameworks (both regional and national)
- reviewing collaboration or joint working opportunities

Whilst there is a general presumption in favour of competition, where direct awards are used, they will follow the Public Contract Regulations and the Councils Contract Standing Orders in their justification for use, recorded and published (where applicable).

Supplier Engagement & Contract Management

The Council recognises that money spent locally can have a positive impact on the local economy, particularly for small and medium-sized businesses (SME's). Whilst procurement legislation limits the Councils' ability to favour local businesses, there are legitimate ways it can encourage and help such businesses access the Council's procurement opportunities by ensuring our processes don't present any unnecessary barriers to participate including:

- Considering and packaging contracts in a manner that does not preclude local companies, small and medium sized enterprises (SME's) or newly formed businesses from tendering
- Providing clear advice and guidance about 'how to do business' with the Council (outlining the procurement process and what the Council is looking for from potential suppliers, providers and contractors etc.)

- Publishing information about forthcoming activity via the Council's website and Procurement Portal as early as possible
- Ensuring any procurement documentation published is proportionate to the value or level of risk associated with the Councils requirement
- Recommending our major contractors use local suppliers in their supply chain where appropriate
- Ensuring prompt payment of suppliers managed in accordance with the prompt payment legislation (within 30 days of invoice) or sooner

It is also as important to maintain a diverse and competitive supply market and therefore the Council will ensure our contract opportunities are widely advertised in accordance with the requirements of the latest Public Contracts Regulations and in line with the thresholds set by its Contract Standing Orders.

Such publications will include both local and national platforms/websites such as: -

www.find-tender.service.gov.uk

www.contractsfinder.service.gov.uk

www.kentbusinessportal.org.uk

www.dover.gov.uk

In letting contracts, the Council will ensure that ongoing management and monitoring of our contracts is structured into our approach from pre-contract commencement to contract close with a view to:

- achieving completion of the service, works or supply on time
- within budget
- to the appropriate standards of quality

We will endeavour to ensure that all contracts are properly managed and monitored in a manner that is appropriate to the complexity, risk and value of the procurement.

The Council will:

- Publish all contracts (and their key details) on the Councils Contract Register in compliance with the Transparency Code
- Identify and appoint a Contract Manager to manage the contract throughout its lifecycle
- Ensure issues of non-compliance are acted upon and escalated for resolution within the terms of the contract
- Record any agreed contract changes as part of a change control process and approve in writing in accordance with the contract
- Review such contracts to ensure any 'lessons learnt' are incorporated into future service provision

Corporate Social Responsibilities/Sustainability

There are already mechanisms in place to increase and deliver economic, social, and environmental outcomes from procurement through legislation such as the Public Services Social Value Act 2012, the UK Climate Change Act, Equality Act, Modern Slavery Act, and others. This Strategy seeks to ensure that the delivery of any economic, social, and environmental outcomes is achieved by the Council embedding appropriate processes and procedures within the Councils procurement activity.

Social Value

The Public Services (Social Value) Act 2012 places a statutory duty on authorities to consider in their procurement processes:

- a) how the services we procure might improve the economic, social, and environmental well-being of the relevant area, and
- b) how, in conducting the process of procurement, it might act with a view to securing that improvement

In doing this, the Act aims to give the Council the freedom to determine what kind of additional social or environmental value best serves the needs of the district as well as giving suppliers the opportunity to innovate.

Whilst the Act does not mandate contracts for goods, works (or services under the Public Contract Regulation threshold) to consider social value, this does not mean that the Council will not apply social value to these contracts where appropriate.

Social value outcomes will be:

- considered at the pre procurement stage of a tender
- relevant and proportional to the contract in question
- equally accessible for all suppliers

Whilst social value criteria cannot be used to discriminate based on the location of a supplier, it can be used to identify local (district) public benefits that can be delivered through the contract such as the examples below (this is not an exhaustive list):

- Recruitment - apprenticeships, trainee placements etc.
- Funding contributions to local (district) activities or charitable donations
- Educational initiatives e.g., School visits
- Supporting community or environmental initiatives that may be going on in the district

The Council will ensure that such opportunities are considered at the outset of any tender activity as part of its Procurement Initiation Process (PIP). As a minimum, Officers will be expected to demonstrate that such considerations have been explored (including through any early supplier engagement etc.) and either incorporated into the Specification/Requirement and/or included in the evaluation criteria.

Sustainable Procurement

Sustainable procurement is whereby organisations like the Council, meet their needs for goods, services, works or utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the local economy, whilst minimising damage to the environment.

In January 2020 the council declared a climate change emergency and set about developing a strategy and action plan to address climate change and to become a net zero carbon emitter by 2030 at the latest. Procurement can contribute to supporting the Councils Climate Change Strategy by ensuring that any goods, services, works or utilities procured across the Council are environmentally and socially responsible where possible.

The Council will:

- ensure that sustainability is considered at the outset of any tender activity as part of its Procurement Initiation Process (PIP). As a minimum, Officers will be expected to demonstrate that such considerations have been explored (including through any early supplier engagement etc.)
- where appropriate, encourage sustainable procurement by incorporating social and environmental factors into the contract within the Specification
- consider environmental factors in its supplier selection and tender evaluation criteria published
- Include appropriate standards, requirements from its suppliers/contractors (and their sub-contractors)

Collaboration

The Council will, where appropriate, adopt the use of collaborative arrangements at local, regional and national levels as a route to market where it can maximize its purchasing power and/or widen its experience/knowledge.

Such arrangements may be sought through our local network of public sector bodies, local authorities, or other Government Agencies. In addition to the economies of scale, these collaboration opportunities can help to identify and promote the dissemination of best practice, training/development opportunities and increased market awareness.

The adoption of such collaborative arrangements shall only be conducted following appropriate consultation and liaison with internal stakeholders, in addition to robust and transparent comparison and evaluation to ensure best value is being sought.

Strategy Action Plan

The Plan attached as Appendix A sets out the themes and actions for the Council to deliver this Strategy including the measures and responsibilities. The Procurement Manager will be responsible for overseeing and implementing this Plan while the Corporate Management Team (CMT) will be responsible for reviewing its progress and ensuring it remains aligned to both national and local objectives.

Implementation

This Procurement Strategy will be the responsibility of the Procurement Manager who will ensure its communication with all appropriate staff and stakeholders in addition to ensuring its availability to external suppliers, agencies, and members of the public.

Review

This Procurement Strategy will be reviewed periodically to reflect any changes in the Council's needs, legislation, best practice and audit recommendations.

NPS Theme – Showing Leadership

Action	Description	Outcome	Timescale	Responsibility
1.	Involve Heads of Service Team (HoS), Corporate Management Team (CMT) & Portfolio Holder in the development of the new Procurement Strategy	HoS, CMT and Portfolio Holder support for new Procurement Strategy	June 2023	Procurement Manager
2.	Approval of new Procurement Strategy	Member support and context set for procurement across the Council for the next three years	July 2023	Cabinet
3.	Develop performance indicators for procurement and appropriate monitoring mechanisms	Appropriate indicators introduced to enable effective monitoring of the progress towards achieving the aims and objectives of this strategy	August 2023	Procurement Manager
4.	Review and deliver staff training following implementation of Transforming Public Procurement Legislation late 2023 (Procurement Bill)	Implications of new legislation are understood and adopted	TBC 2023	Procurement Manager
5.	Undertake annual review of the Action Plan	Actions are managed and monitored accordingly	July 2024	CMT

NPS Theme – Behaving Commercially

Action	Description	Outcome	Timescale	Responsibility
6.	Revise and publish the Councils Contract Standing Orders on the Councils intranet & website	Up-to date Contract Standing Orders available to Officers & Suppliers	February 2023	Procurement Manager
7.	Revise and re-publish the Councils Procurement Guide on the Intranet	Up-to date advice and guidance for Officers undertaking procurement available	August 2023	Procurement Manager
8.	Continue to develop the Procurement Intranet and Website	All the information needed to deliver this strategy is in one place for ease of use	Ongoing	Procurement Team
9.	Continue to maintain and publish Contracts Register, Government Procurement Card transactions and all expenditure over £500	Ensure transparency and accountability as per requirements of Local Government Transparency Code 2015	Ongoing	Procurement Team
10.	Complete annual spend analysis	Expenditure is within regulations, contracts are in place where applicable, and any efficiency opportunities are identified	April 2024	Procurement Team

NPS Theme – Achieving Community Benefits

Action	Description	Outcome	Timescale	Responsibility
11.	Procurement Team members to undertake Chartered Institute of Procurement & Supply (CIPS) Ethical Procurement & Supply eLearning and assessment annually	Enables individuals to hone their skills and knowledge, and ultimately to demonstrate their commitment to ethical procurement and sustainable supply chains	July 2023 & Ongoing	Procurement Manager
12	Complete the local government National Procurement Strategy self-assessment www.local.gov.uk/publications/national-procurement-strategy-local-government-england-2022-toolkit	Maturity of the procurement function and activity within the Council is understood and goals set for future position	September 2023	Procurement Manager/CMT
13.	Complete Social Value Maturity Index (Social Value Portal) www.socialvalueportal.com	Current position of the Councils social maturity in procurement is established and range of steps for improvement identified	October 2023	Procurement Manager/CMT
14.	Review the National Themes, Outcomes & measures (TOMS) framework for measuring and reporting social value www.socialvalueportal.com/solutions/national-toms	Ability to measure social value impact through tested KPI's	October 2023	Procurement Manager/CMT
15.	Produce and publish a 'How to do business with the Council' Guide on the Councils website	Clear advice and guidance about how to do business with the Council made available	September 2023	Procurement Manager
16.	Embed social value & sustainability in Invitation to Quote & Invitation to Tender templates	Continuity of approach and consideration for social value and sustainability in the Councils quotation & tender documentation	November 2023	Procurement Team
17.	Develop a sustainable procurement policy	Clear policy that sets out key principles and standards in respect of sustainable procurement	October 2023	Procurement Manager