

Corporate Strategy for Procurement, Commissioning and Contract Management within Wokingham Borough Council



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Introduction

This strategy provides a council-wide approach and ownership of procurement (including contract management). It sets out the Council's aspirations and strategic approach to procurement. It is not intended to be a procurement manual, however, the principles should be applied to all procurements and commissioning completed on behalf of the Council.

The National Procurement Policy Statement (NPPS) was published in June 2021 which sets out information and guidance for contracting authorities. This will require contracting authorities to have regard to national strategic priorities for public procurement and as such some of the principles are set out in this strategy.

The over-riding aim of the Council is that in all procurement, contracting and commissioning the Council will seek value for money, defined as "the best mix of quality and effectiveness for the least outlay over the period of use of the goods or services bought" and that procurements, commissions and contract management will reflect the aims of this strategy. This strategy will ensure the intelligence remains with the client and not the supplier, and all contracts are Council-led.

Effective cost control and efficiency targets are dependent on the Council approaching competition in procurement positively, whilst taking full account of the opportunities for innovation and genuine partnerships that are available from working with others in the public, private and VCSE sectors.

This strategy should be read in conjunction with the Council's Procurement and Contracts Rules and Procedures (PCRP) (Section 13 of the Constitution) and all supporting policies and documentation [*which will be developed following approval of this strategy.*]

The objectives of this strategy are:

1. To ensure procurement practices achieve true competition, best value for money and that customer and client needs are met.
2. To encourage the effective planning, monitoring and review of current and future procurement activities, including identifying opportunities for collaboration with private and public sector bodies as well as the Voluntary, Community and Social Enterprise (VCSE) sectors.
3. To reduce the level of "non-contract spend" – orders placed with no formally tendered contract in place, mindful of a suitable risk-based cost benefit analysis.
4. To promote and maintain a culture of electronic procurement (e-procurement); this will provide for a more efficient flow of information between the Council and its supply chain, better record of procurement activities, consistency in procurement processes and best practices.
5. Development and maintenance of the Council's Contracts Register, required to meet statutory transparency obligations and to ensure effective and timely contract renegotiation and retender.
6. To ensure proper in-service management of Council contracts and effective termination and exit strategies and procedures.
7. To ensure examples of best practice in procurement and contract management are identified and communicated across the Council and adopted wherever practical.
8. Support the Climate Change Emergency.
9. Support and facilitate economic development within Wokingham Borough.
10. Assess, where needs be, the Social Value aspect of any procurement.

The benefits of this strategy are:

In taking this corporate strategy forward, the Council expects to realise the following benefits:

- ✓ Demonstrate continuous improvement and achieve value for money through the efficient procurement of goods, services and works.
- ✓ Development of a Procurement Centre of Excellence promoting:
 - More efficient procurement processes, better risk management and strategic procurement planning.
 - Proactive contract management aimed at continuous improvement and effective management of the quality of the services we provide to the end client/user.
 - Compliance with applicable legislation and the Council's Constitution.
 - Improved collaboration with other local authorities, local businesses and the VCSE sector.
- ✓ Develop relationships between the Council, the business community and the broader voluntary sector which create mutually advantageous, flexible and long-term relations.
- ✓ Greater use of the Council's e-tendering software.

The Procurement Process

The Council will require that all:

- procurement,
- contracting
- commissioning,
- construction of the specification for goods, services or works

will be evaluated and subsequently awarded against **mandatory** and **relevant assessments** that have been designed to test and ensure that the goods, services or works being acquired represent both value for money to the Council and reflects the objectives of this strategy listed above.

Initial considerations of the mandatory assessments is to be made in the procurement business case which for each contract should demonstrate alignment with the Corporate strategies (Climate Emergency, Social Value, Equalities); adequate risk assessment; appraisal of alternative options to meet the identified need and a recommended approach. Procurement business cases are to be presented for a review by the Strategic Procurement Board in a standard format (template to be developed by the Procurement and Contracts team).

In addition to this, the tender evaluation will be based on a set of suitable awarding criteria incorporating the below listed mandatory and relevant assessments.

Mandatory Assessments

- **Financial:** does the tender submitted conform to the Council's budget sustainability over the life of the contract or commission, and fit within the Medium Term Financial Plan? The default standard weighting in assessing tenders is based on a 70% price and 30% quality. Any deviation from this is to be highlighted in the procurement business case and agreed by the Chief Finance Officer (or nominated deputy) and presented through the Strategic Procurement Board (see below).

- **Contract Management:** does the tender submitted allow the Council to ensure adequate management of the performance of the supplier/contractor and also for the quality of the goods, services or works over the life of the contract or commission? Are there sufficient remedies available to the Council, should the supplier not deliver?
- **Risk Assessment:** does the tender submitted allow for identification and mitigation of the key risks to the Council?
- **Exit Strategy:** does the tender submitted contain clear details of any exit strategy in response to any mid-term termination and also at the end of the contract period. This should include termination for non-performance and *force majeure*.
- **Social and Economic Value to the Local Community:** does the tender submitted meet the needs of the Wokingham Borough community and add social and/or economic value to that community through the use of local supply chains through small and medium enterprises or offers other community and economic benefits to the Wokingham community without compromising the principles of transparency, fairness and equal treatment?
- **Equalities, Diversity and Inclusion:** does the tender submitted fit within the Council's Equalities, Diversity and Inclusion policies and agenda?
- **Climate Emergency:** does the business case take into account relevant Climate Emergency actions?

Relevant Assessments

- **Innovation:** does the bid provide innovation in goods, services or works?
- **Use of Council Assets:** does the bid use or enhance the assets of the Council.
- **Use of Community Assets:** Does this bid make use of and enhance local voluntary, charitable and social enterprises?
- **Digital delivery:** are the goods, services or works delivered digitally to the Council and/or to the local community?

Responsibilities for Procurement and Contract Management

The Council will require all officers undertaking procurement, contract management and commissioning to construct specifications and evaluations that will be appropriate to the goods, services or works being acquired and will reflect the aims of this strategy.

A key tenet of this strategy is that procurement is supported centrally and contract management is devolved to the relevant services with support from the Centre of Excellence. However, each department is still accountable for procurements and/or commissioning needed to deliver the services within their remit, to the outcomes for which they are responsible, and to meet their service plan.

Each department will be responsible for the preparation of the tender documentation and take all business decisions in relation to the procurement, including:

- that the approach followed complies with all statutory legislation and the Council's Constitution and, where necessary, the relevant specialist advice (e.g. Legal, Procurement, Finance etc.) is sought and obtained in a timely manner to ensure compliant procurement process;
- that the procurement or commission supports their objectives and service plan and all mandatory and relevant assessments have been considered in the procurement business case and as part of the tender evaluation/contract award;
- ensuring there is sufficient budget available to be allocated to the contract over its lifetime including any costs of exit or decommissioning;
- ensuring the correct governance process is followed to obtain approval for the procurement or commission;
- recommend contract award to the supplier offering best value bid according to the award criteria set out in the tender documents and the strategy agreed in the procurement business case;
- that the contract is recorded on the Council's contract register.

The department will be accountable for the whole-life ownership of the contract including initiating, mobilising, in-service management and subsequent termination, disengagement and/or re-procurement of the contract. It will be the department's responsibility to review existing contracts early enough to allow for sufficient time to extend or re-procure, should that be the case.

The main role of the Procurement Centre of Excellence will be to provide procurement and contract management support to the departments across the Council to ensure that all procurement options are considered and appraised and the most appropriate approach is recommended. Advice on the compliant route will be offered but the final decision on the specific approach in each case will sit with the department. Deviations from the recommended approach will need to be highlighted in the procurement business case and approved by the Strategic Procurement Board.

Governance

With all decisions that involve the disbursement of public funds, there should be proper governance and oversight of Council procurements, commissioning and contract management. For Procurement and Commissioning, this oversight would be undertaken by a Strategic Procurement Board and contract management will be supported through a Contract Management Learning and Support Working Group. As with all financial matters, overall governance remains with the Council's Section 151 officer (or nominated deputy).

Headline Terms of Reference for the Strategic Procurement Board. The remit of the Board is to provide a check point and gateway for all procurements for the Council; this checkpoint will include the validity of future procurements based on need and corporate priorities, clearly demonstrated in a business case. All procurements will require sign-off by this Board prior to the procurement process being commenced. The Board will comprise of senior officers (Tiers 2 and 3):

- Deputy Chief Executive (Chair)
- Director Place and Growth
- AD Finance (vice Chair)
- AD Place
- AD People Commissioning

The Board will be supported by other officers as follows:

- Subject matter expertise and professional support from the Procurement Service
- Administrative support from the Procurement Service
- As required the relevant officer/service representative who has developed the business case
- Climate Change Board representative, if required

The Board can delegate approval for low value and low risk procurements to the AD Finance in consultation with the relevant service AD; this will allow the Board to focus on the more significant procurements based on financial, commercial and reputational risk.

The Board will also require updates on the ongoing contract management of the significant and prime contracts within the Council. This will include a joint briefing from both the Council's contract manager and the client manager within the supplier/provider. These may be subject to review by Overview and Scrutiny.

The Chair/Vice Chair will provide regular updates to the Executive Lead Member for Finance and Housing on the outcome of Board meetings and any potential strategic procurement issues and concerns.

Full Terms of reference for the Board will be published as an appendix to this strategy.

Headline Terms of Reference for the Contract Management Learning and Support Working Group. The Group is to provide a forum of best practice around the management of the key contracts within the Council and a support group for all officers who have a remit to manage contracts in the Council. The Chair of the Group will report regularly to the Strategic Procurement Board. The Group will comprise of officers who have a large number of contracts under their control or single contracts of high value (Tiers 4 and 5):

- Head of Procurement, Contracts and Commercialisation (Chair)
- Lead Specialist Place Clienting
- Lead Specialist Highways and Transport
- Lead Specialist People Commissioning
- Lead Specialist Finance Business Partnering
- Procurement and Contracts Manager (vice Chair)
- Subject matter expertise and professional support from the Procurement Service

The Group will share and publish any lessons learned and examples of best practice on a regular update through Sharepoint and internal communications.

The Chair and/or vice Chair will provide regular updates to the Deputy Chief Executive and Assistant Director Finance on the outcome of Group meetings and any significant procurement and contracting issues identified.

Full terms of reference for the Group will be published as an appendix to this strategy.

Role of Internal Audit: Internal Audit will be responsible for the investigation of any mal-practice in procurement. The Procurement service will be responsible for highlighting any examples of an improper or inappropriate procurement practices to the Internal Audit service and reporting such to the Council's Section 151 Officer or nominated deputy.

Policies and updates

This strategy is designed to give an overarching strategic view of procurement commissioning and contract management. This will be supported by Section 13 of the Council's Constitution and a number of policy and guidance publications that will set the various parameters and templates for successful procurements and ongoing contract management and reporting.