

Gosport Borough Council- Procurement Strategy 2021-2023

1.0 Introduction

1.1 This document sets out the Council's strategic approach to procurement and details how the Council's procurement activities will support both national priorities and the delivery of the Council's corporate vision to "build on our strengths to empower and support our communities and ensure the potential of the Borough and all of our residents is achieved."

1.2 It provides a framework and actions to ensure adherence to legislative requirements and Government priorities including that of the National Procurement Policy Statement (NPPS) issued by Government in June 2021. This sets out the strategic priorities for public procurement including "generating economic growth, helping our communities recover from the Covid-19 pandemic and supporting the transition to net zero carbon."

1.3 The NPPS says: "Contracting authorities should have regard to the following national priorities in exercising their functions relating to procurement. The national priorities relate to social value; commercial and procurement delivery; and skills and capability for procurement."

1.4 The NPPS confirms contracting authorities should consider three main national priority outcomes alongside any additional local priorities in their procurement activities namely:

Social value:

- Creating new businesses, new jobs and new skills;
- Tackling climate change and reducing waste; and
- Improving supplier diversity, innovation and resilience.

Commercial and procurement delivery:

- All contracting authorities should consider whether they have the right policies and processes in place to manage the key stages of commercial delivery identified in this statement, where they are relevant to their procurement portfolio.

Skills and capability for procurement:

- All contracting authorities should consider their organisational capability and capacity, with regard to the procurement skills and resources required to deliver value for money.

1.5 This Strategy emphasises the increasing importance of procurement, which supports wider social, economic and environmental objectives and delivers these community benefits whilst also ensuring Value For Money (VFM).

1.6 It provides a corporate focus for procurement and ensures consistency by setting out the Council's strategic framework, procurement principles, social responsibility,

current procurement arrangements, procurement priorities and an action plan for improvement.

1.7 Further details on procurement processes are available in the Council's Constitution in particular the Scheme of Delegation, Financial Regulations and Contract Procedure Rules which can be found here:

<https://www.gosport.gov.uk/constitution/>

1.8 This Strategy will ensure transparency in the Council's procurement activities for Elected Members, Officers, suppliers, local businesses and residents and confirms how the Council intends to utilise public funds in the current times of budget and grant reductions.

2. Definition of (Council) Procurement

2.1 Public Sector procurement is the process of acquiring goods/supplies, services and works for the delivery of a Council's obligations to the area over which it has jurisdiction, its residents and regional visitors whilst ensuring adherence to legislative requirements.

3.0 Strategic Framework

3.1 Procurement is a key tool in delivering national priorities, better services, continuous improvement and VFM whilst achieving the Council's strategic priorities.

3.2 Procurement decisions are not based on price alone, but taken in light of the broader outcomes that the Council is seeking to achieve and supporting its core values to be:

- Ambitious to achieve our full potential;
- Supportive by providing the best service to our residents and
- Efficient by delivering value for money services.

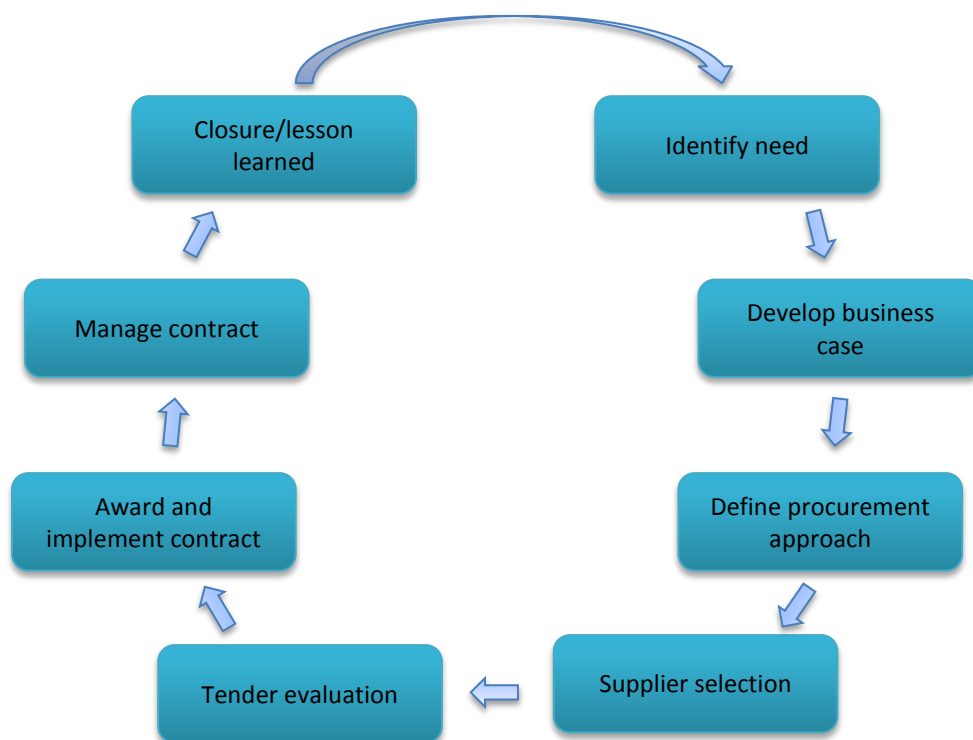
The overall community benefit that the Council is striving to achieve is set out in the Council Mission Statement as detailed in 1.1 above

4.0 The Principles, Aims and Objectives of this Procurement Strategy

The Procurement Strategy aims to:

- Ensure procurement supports the Council's vision and delivery of strategic priorities.
- Ensure all procurements are based on principles of equal treatment, transparency, proportionality and non-discrimination.
- Ensure compliance with all public sector legislative requirements and the Council's own Contract Procedure Rules (CPRs) by use of a "gateway process" and regular reporting to Corporate Management Team.
- Ensure procurement activities support and promote local priorities and take account of relevant legislation such as equality, sustainability, social value, environmental issues, and General Data Protection Regulations (GDPR) requirements.

- Ensure procurement procedures are undertaken by suitably trained staff in a professional manner in accordance with the Councils Code of Conduct, CPRs, Financial Regulations and other applicable policies and procedures.
- Ensure procurement policy is embedded within all future projects from initial strategic advice for procurement options and for the life cycle of contracts with effective contract management and lessons learned.
- Ensure the procurement process is streamlined and “lean” applying the most cost effective and efficient route using the gateway process with full use of partnership arrangements, new and existing corporate contracts, framework agreements, direct award and the tender process where required.
- Promote and encourage local business suppliers, particularly Small Medium Enterprise (SME), by having regard to local employment and skills shortage, working with local businesses to register for Council opportunities, assisting with training for on-line registration when required, holding trade days and other engagement opportunities such as pre tender information days and general market research.
- Re-invest in the local economy by undertaking framework procurements to deliver pre-procured services of local tradespeople and services.
- Ensure sustainable procurement and social value in all relevant procurement projects including the use of smaller “lots” within larger value procurements to encourage SME involvement.
- Continue to develop a staff awareness in sustainability, social value and local supplier availability/requirements.
- Ensure contracts are awarded fairly and transparently in line with the Council’s CPRs and evaluation criteria, which will generally reflect an award using a MEAT (Most Economically Advantage Tender) evaluation which incorporates: quality, price or cost using a cost effective approach, technical merit, social characteristics, environmental characteristics, innovation and social value as reflected in the tender documentation.
- Ensure financial and professional abilities are scrutinised, evaluated and approved.
- Ensure major procurements are treated as whole life projects incorporating an appropriately detailed business case, alignment to strategic objectives, budgetary approvals, gateway reviews, contract management and lessons learned as depicted below. Each procurement must have a named Service lead/Project lead to continue the process following Contract award.



- Undertake benchmarking and evaluate processes used to enable analysis of methods, results and costs to ensure strategic aims are being met and to highlight improvements to be made.
- Ensure all Council contract information is published in accordance with Central Government transparency requirements.
- Ensure the Council’s Carbon Reduction Commitment of “recognising carbon neutrality as a key consideration in purchasing and procurement decisions” is implemented.
- Develop a Social Value Statement and integrate separate scorings for carbon reduction, sustainability and other social value factors within the evaluation scorings of procurements where relevant.
- Provide clear and transparent results of financial savings and community benefits.
- Secure commitment to effective procurement from Members and Officers at all levels of the Council.
- Provide an action plan to further develop procurement aims and objectives.

In support of these aims a procurement vision has been developed:

“To provide a planned, responsive, professional and efficient procurement service which delivers the required goods, service, works and utilities delivers Value For Money and contributes to the Council’s strategic priorities whilst maximising the benefits for our community and promoting the interests of our residents.”

5.0 Sustainable Procurement

5.1 “Sustainable procurement is a process whereby organisations meet their needs for goods, services, works and 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 to society and the economy, whilst minimising damage to the environment”

Source- “Procuring the Future”-Sustainable Procurement-National Action Plan (published in 2006 by Department for Environment, Food and Rural Affairs)

5.2 The Council recognises its vital role in furthering social responsibility through procurement which has major social-economic and environmental implications locally and globally both now and for future generations.

5.3 In February 2020 the Council ratified its Climate Change Strategy 2020-2023 and confirmed that:

“Gosport Borough Council intends to continue on the work it began in 2008 in seeking to reduce emissions, mitigate the impact and adapt to Climate Change. The Borough Council has now set a carbon reduction target for its own operations and will work with the community, and with our partners in Hampshire, towards achieving the goal of carbon neutrality by 2050. The Council will aim to achieve this goal (for its own operations) well ahead of the target date of 2050 set in the Climate Change Act, and as soon as practicably possible, while taking account of the cost/benefit aspect of all measures adopted and of the resources available to implement plans of action.”

The Council's guiding procurement principles ensure we embed sustainability into the whole cycle of the procurement process.

6.0 Risks, Threats and Opportunities.

6.1 The following SWOT analysis highlights the Strengths, Weaknesses, Opportunities and Threats of our procurement process and will help form the Action Plan being prepared.

Strengths	Weaknesses
<p>Procurement Strategy: Providing a clear vision for the future for Residents, Members and Officers.</p> <p>Revised CPRs:</p> <ul style="list-style-type: none"> • Clarify legal requirements for Officers/Members. • Provide Gateway process to guide Officers through various processes dependent on value. • Providing a clear, detailed and transparent process to residents and suppliers. 	<p>It will take some time and considerable effort to fully embed the new Strategy but this will reduce:</p> <ul style="list-style-type: none"> • Non-compliant spend. • Lack of compliance with: CPRs/processes/Proactis system. • Delayed projects - due to lack of project management. • Underestimation of project costs leading to overspend on contracts - due to poor specifications.

<ul style="list-style-type: none"> • Ensure legal process and requirements adhered to. <p>Electronic procurement system: Meets legislative requirements and provides a fully auditable procurement ensuring legal process followed. Provides a uniform approach to assist Officers. Streamlines regulatory requirements.</p> <p>Whole Life cycle procurement/projects: Ensures timeline, VFM and effective project management, projects to run smoothly and to timeline. Allows effective contract monitoring.</p> <p>Social Value: Promotes reinvestment in local community and businesses. Addressing “local pound” and climate change agenda.</p> <p>Training: Provides relevant knowledge for specialist officers including specification preparation, contract management, and identification of contracts that can be divided into “lots” to encourage SME bids.</p> <p>Partnership/collaborative procurement: Cost savings and shared expertise reducing cost and providing VFM.</p>	<ul style="list-style-type: none"> • Poor contract management.
<p>Opportunities</p>	<p>Threats</p>
<p>Further collaborative working: Use of established frameworks- reduction in timetable and costs of projects.</p> <p>Revised CPRs: Simplification of process for lower level spend giving officers more autonomy and confidence in the process.</p> <p>NPPS /Inclusion of Social Value: Highlights national priority of social value, encourages investment in local business. Trade days and communication campaigns planned will publicise opportunities for local SMEs and assist in the registration for local business to “bid” for GBC contracts re-investing back into local jobs and economy.</p> <p>Pre procured/creation of lower value frameworks for small cumulative spend: Small value GBC frameworks including for works, office supplies, staff uniform will reduce need for quotations and burden on officers, will allow a catalogue approach to small value items and call off/direct award for small value repairs. This will reduce on-going procurement time and identify local suppliers. Will bring further transparency for</p>	<p>High risk of legal challenge: Lack of strategic priorities and direction will increase the risk of costly litigation and delay of projects, leading to risk of reputational damage.</p> <p>New legislation: green paper and NPPS- lead to additional changes to CPRs/procedures/ requirements</p>

<p>local residents and improved environment and wellbeing.</p> <p>Improved project/contract management: Target dates/timelines achieved. Streamlined and more efficient process. Whole lifecycle procurement/projects.</p> <p>Improved transparency of VFM: To local residents.</p> <p>Increased competition on advertised procurements: Improved VFM</p> <p>Introduction of Green paper legislation: Opportunities for less bureaucratic legislation and streamlined processes.</p>	
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7.0 The Way Forward:

7.1 This strategy confirms the Council’s position with regard to procurement. The Government has consulted on its Green Paper “Transforming Public Procurement” and recently produced a consultation response but legislation is unlikely before 2023.

7.2 An Action Plan has been developed and priorities set in accordance with the requirements of this strategy, the NPPS and the requirements of the Green Paper as released by Government.

7.3 Other procurement priorities will be prioritised within the Action Plan including our commitment to “Recognising carbon neutrality as a key consideration in purchasing and procurement decisions”, our commitment to “look local” and work with local suppliers and businesses and reinvest in the local economy.

7.4 This Strategy is therefore for an initial 2 year period but will be held in review by the Council’s Corporate Management Team as legislation emerges, it will be formally reviewed by the Policy and Organisation Board after 1 year.