Tandridge District Council
Procurement Strategy
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Foreword

Tandridge District Council’s ambition for procurement is to be recognised as a leading exponent of innovative, sustainable and modern procurement practice, whilst striving for continuous improvement in our performance.

This Corporate Procurement Strategy sets the framework in which the Council will work to ensure that procurement delivers value for money across all services and directly contributes to the achievement of our corporate priorities.

It is recognised that the procurement of goods, works and services has a major impact on many aspects of life in Tandridge, including the environment, social factors and local economic development, which is reflected in procurement strategy and practice.

This Strategy has been endorsed by the Corporate Management Team (CMT).
1. **Introduction**

1.1 It is recognised that effective procurement arrangements are fundamental to achieving organisational success for the Council and in delivering our corporate priorities and cashable savings.

1.2 Procurement is defined as: the process of acquiring goods and services, covering both acquisition from third parties and from in-house providers. The process spans the whole cycle from identification of needs, through to the end of a contract or the end of the useful life of an asset. It involves option appraisal and the critical “make or buy” decision which may result in the provision of services in-house in appropriate circumstances.

1.3 The Council is mindful that the impact of procurement is far greater than this definition of a ‘process’ and our vision and objectives as set out in this strategy illustrate the contribution that effective procurement arrangements can make to a wide range of socio-economic agendas. These include a successful local economy, a thriving voluntary sector, community empowerment, environmental issues and value for money.

2. **Our vision for procurement**

2.1 In recognition of the wider impact that procurement strategy has on the outcomes achieved by the Council, our vision for procurement is:

“To support the delivery of innovative, cost-effective and quality services in fulfillment of the Council’s corporate priorities through a strategic and systematic approach to procurement.”

3. **Our procurement objectives**

3.1 The objectives of this strategy are to:

- Develop a category management approach to procurement across the organisation
- Deliver a common, corporate process of strategic sourcing, supplier relationship development and contract management
- Deliver efficiencies and cost reduction in the procurement process
- Enhance leadership, governance and skills within procurement
- Ensure compliance with policies, procedures and legislation
- Increase the proportion of spend against contracted and approved suppliers.

4. **Our procurement principles**

4.1 Our procurement principles are:

- All procurement activity supports our corporate priorities
- Always consider whether we could procure in partnership rather than alone to assist in the delivery of efficiency and cost reduction
A commitment to strategic, effective, consistent and co-ordinated procurement, which
recognises and reflects local circumstances

Promote and deliver sustainability and local economic development

Engage with relevant stakeholders and service users to ensure that needs analysis
and design of specifications reflects community requirements and recognises the
contribution of existing local services

Maximise collaboration and partnering arrangements with suppliers

Contribute to value for money and the effective use of resources

Measure procurement performance and promote continuous improvement

Ensure procurement is undertaken by suitably skilled and experienced staff

All procurement is operated in a legal and professional manner with the highest
standards of probity, transparency, openness, accountability and fairness

Encourage a varied and competitive supply market

Ensure an efficient procurement process through maximising the use of electronic
procurement (e-procurement)

5. Sustainable procurement

5.1 It is recognised that procurement has a vital role in furthering sustainable development, through
our procurement of goods and services. Procurement decisions have a major socio-economic
and environmental implication, both locally and globally, now and for future generations. The
Public Services (Social Value) Act 2012 came into force in January 2013. Although it only
deals with service contracts, the principles can be applied to other contracts. In planning
and conducting a procurement with a value exceeding the EU threshold, the Council will
consider, and record within the contract file, how consultation will occur to consider how the
contract can contribute to the improvement of the economic, social and environmental
wellbeing of the district and relevant partners. The contract will then seek to secure and
achieve any noted economic, social and environmental improvement. The Council’s
consideration will be proportionate, reasonable, relevant and non-discriminatory. The
Council will therefore strive to:

People, education and awareness

ensure that all staff engaged in procurement activities have adequate training,
resources and support to deliver efficient and effective contracts in the supply of
goods and services

educate, train and encourage staff to review their consumption of goods and
services, reduce usage and adopt more environmentally-friendly products

communicate the sustainable procurement policy to all staff, suppliers and
stakeholders
Procurement strategy and process

- promote and embed best practice for sustainable procurement
- ensure local and small suppliers have equal access to procurement opportunities.

Environmental products

- consider the costs and benefits of environmentally-friendly goods and services, including minimising ‘procurement miles’
- wherever possible and practicable, specify a requirement in line with nationally or regionally agreed minimum specifications
- where such exact specification is not possible, enable suppliers to submit offers for environmentally-friendly alternatives.

Environmental construction, biodiversity and recycling

- meet Carbon Reduction targets
- continue to improve the levels of recycling, reduced usage, bulk delivery and better packaging

Engaging suppliers

- communicate our sustainability objectives to our suppliers
- encourage and persuade suppliers to adopt environmentally-friendly processes and supply environmentally-friendly goods and services
- encourage and persuade suppliers to adopt development plans for engaging apprentices/trainees
- ensure that procurement processes are appropriate to the scale and risk involved so that they are not unduly onerous especially for local and small suppliers
- continue to update and publish our contracts register and forthcoming tendering opportunities
- ensure that, where appropriate and allowable, sustainability criteria are part of the supplier evaluation process and are used in the award of contracts.

Measurements and results

- comply with all legislation
- measure, monitor and report on procurement efficiencies and savings
6. **Promoting social equality and justice through procurement**

6.1 The Council is committed to securing genuine equality of opportunity, whether required by law or not, in all aspects of our activities as an employer, service provider and provider. It is recognised that passive policies will not reverse discrimination and disadvantage and therefore the Council will actively seek to redress unfair discrimination against disadvantaged people to ensure equality of opportunity.

6.2 The Council will continue to ensure that effective health and safety mechanisms are in place through our procurement practice and our suppliers.

6.3 The Council will ensure compliance with the code of practice on handling workforce matters in contracts.

7. **e-Procurement Policy**

7.1 The Council recognises the importance of electronic procurement (e-procurement) in delivering lower transaction costs for both us and our suppliers, reducing off-contract spend and minimising paperwork, thereby providing efficiencies and environmental benefits.

7.2 Electronic tendering will be the standard tendering process for all of our tenders.

7.3 Whilst all suppliers will be encouraged to work with us electronically, it is recognised that some suppliers, particularly small- and medium-sized enterprises (SMEs) and ‘Voluntary Sector’ suppliers, may not have the capabilities at this time to adopt e-procurement and we will ensure that such suppliers are not disadvantaged in the procurement process.

7.4 Purchasing cards will be used where appropriate to reduce transaction costs particularly for high volume, low value and ad-hoc purchases.

8. **Procurement improvement**

8.1 This procurement strategy will deliver:

- a more strategic and systematic approach to procurement
- corporate management of performance and improvement priorities
- procurement efficiencies and cost reduction
- enhanced compliance with relevant policies and procedures
- an increase in the proportion of spend that is recorded against contracted and approved suppliers

8.2 Our procurement improvement will be underpinned by the following principles:

- a centre-led approach to strategic sourcing and category management
- stronger central leadership and performance management
- development of new strategies and approaches to deliver reductions in procurement and process costs
- our procurement processes will be proportionate to the expenditure being undertaken and will recognise other corporate priorities and policies
9. Performance management

9.1 Targets, efficiencies and improvements will be monitored and reported by the Procurement Board.

9.2 Periodically the Council will carry out benchmarking which will assist in understanding the level of our procurement performance and in identifying areas of good or poor performance, which enables the Council to set informed targets for performance improvement.

9.3 The Council also produces its own suite of local performance indicators for procurement which measures performance against key targets.

10. Governance and accountabilities

10.1 Governance and accountability arrangements are constantly being strengthened, by the Procurement Board, and developed to provide more focus and stronger leadership through a ‘strategic sourcing’ and ‘category management’ approach to all areas of spend.

10.2 Centralisation of procurement and category management, outside of common-use goods and services, is not considered appropriate at this stage because effective procurement at Tandridge relies on service driven experience to deliver effective “local” procurement. Therefore some departments will be responsible for adopting a category management approach and specialist procurement arrangements for direct expenditure incurred in the provision of services.