

Procurement Strategy 2020-2024

Overview

Welcome to our Procurement Strategy. In it we set out our new approach to procurement in Lichfield District Council.

Our Strategic Plan

Every four years we put together a Strategic Plan. Our current plan describes the high level outcomes we want to achieve for our community from 2020 to 2024. It helps us to focus on what is important locally and to direct our resources and budget where they will have the most benefit:

Enable people to:

- help themselves and others
- collaborate and engage with us
- live healthy and active lives

Shape place to:

- keep it clean, green and safe
- preserve the characteristics
- make sure sustainability and infrastructure needs are balanced

Develop prosperity to:

- encourage economic growth
- enhance the district for all
- invest in the future

Be a good council that is:

- financially sound
- transparent and accountable
- responsive and customer focused

Our values

We have developed a set of values that our staff work together to achieve in all that we do and are relevant to this Procurement Strategy.

Our values are:

Put customers first

- We are passionate about our customer service.
- We always listen and work with our customer to meet their needs.
- We take responsibility for things we can change and improve and encourage our customers to do the same.

Improve and innovate

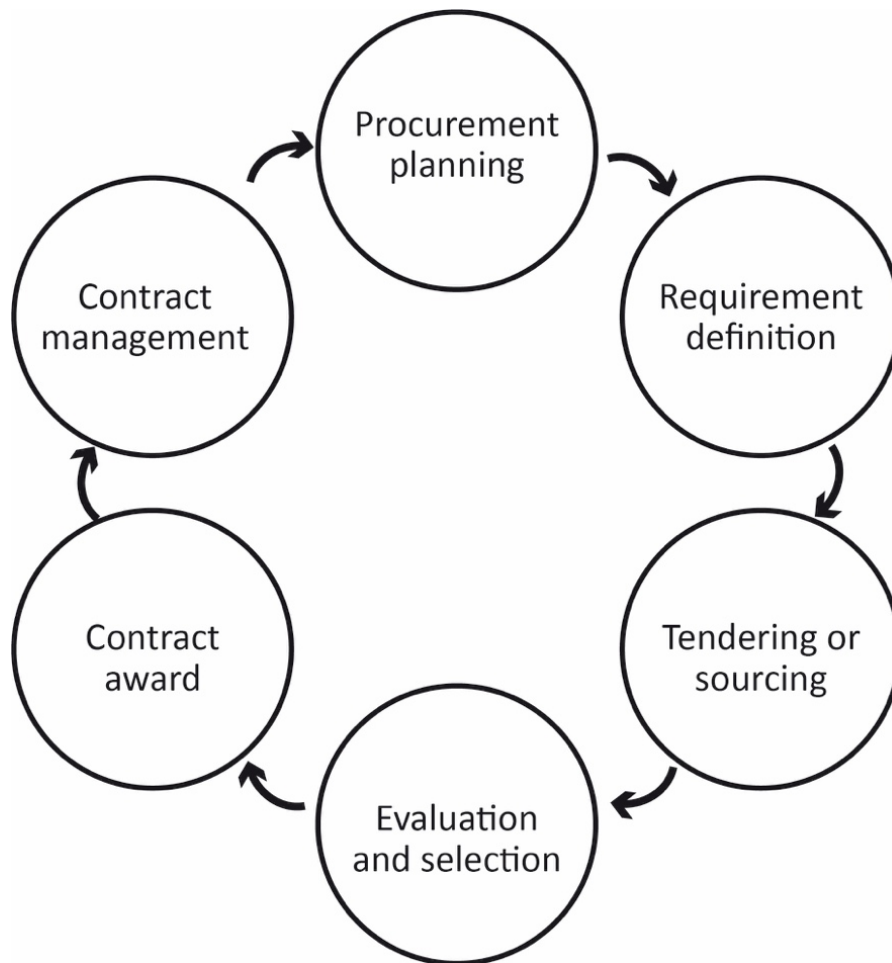
- We challenge each other to look for ways to do things better.
- We listen to feedback and learn from it so we can improve.
- We welcome change and move forward with confidence.

Have respect for everyone

- We listen to one another and understand each other's views and pressures.
- We appreciate each other and trust our colleagues to do a good job to the best of their ability.

Our procurement guiding principles

These outcomes and values will be reflected in the key stages of the procurement cycle:



Our primary focus on sustainable procurement supports the overarching aim and guiding principles of the procurement service:

‘To deliver the council’s strategic objectives and best value through a straightforward, professional and focussed approach to procurement.’

- **Straightforward** To eliminate unnecessary burdens arising from the procurement and to make procurement and payment processes more effective through e-procurement.
- **Professional** To ensure procurement and contract management skills are well embedded and distributed across the council.
- **Focused** To use sound procurement practices and innovative procurement solutions to promote sustainability and best value, in particular supporting the best use of resources agenda and making use of collaboration and partnership opportunities.

The purpose of this strategy is to ensure that sustainability is an integral part of all stages of our procurement processes and that our procurement activities support the delivery of our outcomes while achieving value for money. In particular we want to ensure our procurement contributes to a strong local economy and leads us to make intelligently green procurement choices.

This includes procurement that has a positive environmental impact that generates financial or community benefits, such as:

- Supporting local jobs
- Supporting local skills
- Local sourcing of goods
- Energy efficiency
- Increasing use of renewable energy
- Minimise waste
- Sustainability of materials and products

Therefore we will:

- take a long-term strategic view of our procurement needs while continually assessing, reviewing and auditing our procedures, strategy and objectives.
- require a proper business case to be produced to support all significant procurement decisions and expect contracting activity to be as a result of competition.
- assess all procurement proposals against a criteria that includes effectiveness, efficiency, best value, sustainability and on the basis of whole life costs, providing this does not prejudice service delivery.
- measure outcomes rather than outputs where appropriate.
- be a pragmatic and intelligent customer maximising the benefits offered by joint procurements, developing partnerships, embracing technology and harnessing economies of scale through consortia.
- actively manage our supplier portfolio, in line with all local government requirements.
- support, encourage and develop our staff, ensuring equality of opportunity for all and ensure those that procure through procurement have the same principles.
- ensure social value principles (social, economic and environmental) become embedded in procurement and contract management processes.
- comply with any legislation, corporate policies or other requirements relevant to our activities, ensuring that all officers responsible for procurement and contract management are aware of and adhere to the requirements of all relevant law, the council's contract procedure rules, financial procedure rules, required standards and best practice and ensure those we procure also comply where applicable.
- require services to programme and manage their procurements in accordance with governance timetables.
- ensure risk is identified, assessed and managed at all stages of the procurement process.
- ensure every procurement is led and managed by an appropriate officer, is allocated a suitable contract manager, and that records are properly maintained, decisions recorded, and clear audit trails exist to ensure openness, propriety and probity.
- have regard to all aspects of sustainability, including environmental sustainability and climate change as well as supporting our climate change pledge.
- participate in partnerships and shared services where these can deliver overall service improvements and provide value for money.
- where appropriate key contractors are required to have safeguarding policies, procedures and training in place, in addition to providing confirmation of compliance with the Modern Slavery Act 2015.

Monitoring the Procurement Strategy

The Procurement Strategy will be monitored using a balanced scorecard of indicators initially identified as:

Strategic

Indicator	Baseline
% of spend in Lichfield District ¹	12%
% of spend with Small Medium Enterprise (SMEs) in Lichfield District	N/m
% of spend with Voluntary, Community and Social Enterprise (VCSEs) in Lichfield District	N/m
Number of tenders with social value criteria	N/m

Financial

Indicator	Baseline
Financial savings achieved in total ²	£0
Gross annual financial savings achieved	£0
Net annual finance savings achieved	£0

Operational

Indicator	Baseline
% of suppliers paid within 30 days - target 90% ³	86.15%
% of procurement opportunities published	N/m
Service area satisfaction with procurement	N/m

Compliance/risk

Indicator	Baseline
Number of waivers to contract procedure rules ⁴	10
Number of legal challenges	N/m

¹ The 2019/20 financial year based on post codes

² Cumulative from implementation of Procurement Strategy

³ As of 31 March 2020, and Reported to Cabinet and Strategic (Overview and Scrutiny) Committee

⁴ Relates to 2018/19 financial year and Reported to Audit and Member Standards Committee

Procurement Action Plan

Professionalise procurement

What we plan to achieve	What we plan to do	Who we will work with
A fully staffed trained procurement team	Recruit to permanent roles Support Chartered Institute of Purchasing and Supply training and appropriate legal courses	Human resources team
Enhance procurement knowledge in the council	Identify gaps in knowledge and develop additional training courses	Officers with budget responsibility
A flexible and responsive procurement team	Undertake engagement with customers through a feedback survey	Heads of service and managers in all service areas
High performing procurement function	Develop a series of Key Performance Indicators	Cabinet member and leadership team

Systems and processes

What we plan to achieve	What we plan to do	Who we will work with
A fully populated electronic contracts register	Update with information received Continue to support the embedding of self-service	Heads of service and managers in all service areas
To move towards LDC requests for quotation and invitations for tenders to be run via electronic tendering system ⁵	Training programme for staff Procurement team to use the system on behalf of officers as required	Heads of service and managers in all service areas

⁵ Does not include those via frameworks or other public buying organisations as they often use proprietary processes.

Visibility and data

What we plan to achieve	What we plan to do	Who we will work with
A fully populated forward looking work plan	Update with information received and procurement initiation form content Regular engagement with officers and managers. Regular Procurement updates to officers	Heads of service and managers in all service areas
Improve visibility of procurement opportunities	Future work plan to be published on website in form of anticipated procurement opportunities All current procurement opportunities to be published	Heads of service and managers in all service areas
Publish and monitor expenditure with suppliers, SME's, and VSCE in Lichfield District	Monitoring spend through the new finance system	Finance team

Suppliers and social value

What we plan to achieve	What we plan to do	Who we will work with
Recognise and embed social value (potentially adopt National TOMs (Themes, Outcomes and Measures) Framework 2019 for social value measurement)	Develop a social value policy and guide for officers Consider the inclusion of social value criteria in each relevant procurement	Heads of service and managers in all service areas
Environmental sustainability	Develop criteria for environmental sustainability for inclusion in procurement	Heads of service and managers in all service areas
Improve engagement with local suppliers	Develop a selling to the council guide and publish on LDC website Attendance at any relevant meet the buyer event Widen advertising of relevant contract opportunities to include social media Identify local suppliers and encourage them to register on electronic tendering system Identify demand for a 'how to tender' workshop in advance of any significant procurements, and/or general workshop	Economic growth team Local suppliers

Compliance

What we plan to achieve	What we plan to do	Who we will work with
All relevant contracts are advertised on Contracts Finder	Regular monitoring process	Heads of service and managers in all service areas
All procurements with a value of over £10,000 are agreed with procurement	Regular monitoring process	Heads of service and managers in all service areas
Ensure the procurement elements of the contract procedure rules remain fit for purpose	To review the procurement elements of the contract procedure rules	Heads of service and managers in all service areas
Procurement Information Transparency Code 2015 requirements are met	Regular monitoring process	Heads of service and managers in all service areas

Collaboration

What we plan to achieve	What we plan to do	Who we will work with
Ensure opportunities for collaboration are explored	Completion of all relevant surveys from buying organisations	Buying organisations
Ensure opportunities for collaboration are explored	Representation at heads of procurement networks Host or attend knowledge transfer meetings with neighbouring authorities to share forward looking work plans Approach local authorities when a new procurement is initiated to understand scope for collaboration	Other local authorities
Maximise opportunities for collaboration	Monitor all major procurement buying organisations (PBOs), align relevant opportunities to forward work plan. Disseminate relevant opportunities to key officers	External organisations Heads of service and managers in all service areas

Contract management

What we plan to achieve	What we plan to do	Who we will work with
Improve post contract award and commercial outcomes	Development of a contract management guide for officers Support key officers in commercial negotiations and continuous improvement activities	Heads of service and managers in all service areas