

APPENDIX C - Procurement Strategy action plan 2019-22

Theme	Enabler	Current activity	The ambition	Target date	Update
Leadership and governance	<p><u>Councillors</u></p> <p>Councillors set the council's Corporate Plan and strategic priorities and must be satisfied that the procurement and commercial arrangements to deliver these are robust.</p> <p>Councillors make important decisions, particularly in major projects, and maintain oversight of the performance of key contracts, agreeing corrective action where necessary.</p>	<p>In 2017 the leader of the council designated a councillor to the waste, procurement, major projects and forward plan portfolio. The portfolio holder has monthly meetings with the procurement and contract monitoring team lead and has oversight of the council's procurement and contract activity.</p> <hr/> <p>An update on procurement is included within the leaders report on a quarterly basis.</p> <hr/> <p>A six-monthly report is submitted to the council's Audit Committee giving oversight of the council's procurement and contract activity.</p>	<p>Training to ensure councillors understand the council's procurement and contract management activity.</p> <hr/> <p>Develop briefing notes for councillors on key procurement and contract matters to keep them abreast with the 'hot topics' and external influences to the council's approach to procurement and contracting.</p>	<p>September 2020</p> <p>Revised January 2021</p> <hr/> <p>April 2020 and ongoing</p>	<p>Progress has been disrupted by COVID19.</p> <hr/> <p>Briefing notes in response to COVID19 have been produced.</p>
	<p><u>Senior managers</u></p> <p>Decision-makers value and benefit from procurement and commercial advice at the early stages of major projects.</p> <p>Good procurement and commercial advice can have a decisive impact on the outcome of a project and it is important that</p>	<p>The council's Corporate Management Team (CMT) receives six-monthly reports giving oversight of the council's procurement and contract activity.</p> <hr/> <p>The council's CMT is an escalation point on procurement compliance matters allowing senior managers to ensure due process is being followed within their service areas.</p>	<p>Training to ensure senior management understand procurement and the key considerations to allow them to make informed decisions and positively influence the council's procurement and contract activity to achieve the best outcomes, following due process.</p>	<p>September 2020</p> <p>Revised January 2021</p>	<p>Progress has been disrupted by COVID19</p>

	<p>senior managers are engaged with procurement from the earliest stages of the project.</p>		<p>Develop briefing notes for senior management on key procurement and contract matters to keep them abreast with the 'hot topics' and external influences to the council's approach to procurement and contracting.</p>	<p>April 2020 and ongoing</p>	<p>Briefing notes in response to COVID19 have been produced.</p>
	<p><u>Team approach</u></p> <p>The council works as a single team to design and implement solutions for the services it delivers, and commissioners, contract and procurement advisers work together as part of that team.</p> <p>A team approach internally and with external partners makes best use of limited resources and can lead to innovative solutions and better results.</p>	<p>The council has implemented category management to build strong relationships between procurement and commissioners. Early engagement with one another allows innovative solutions and procurement strategies to be explored from the outset.</p>	<p>Further develop procurement and contract support offer and training to schools.</p>	<p>April 2020 and ongoing</p>	<p>Training session for schools delivered in October and December 2019.</p> <p>Corporate offer is being developed alongside other council departments who offer services to schools.</p> <p>The procurement and contracts team has supported a number of local schools which has generated a small income.</p>
		<p>Collaborative procurements with partners, for example; Hampshire County Council through our partnerships for children's services and public health.</p>	<p>Explore collaborative/shared service arrangements with the Isle of Wight NHS Trust for procurements.</p>	<p>January 2020 and ongoing</p>	<p>Pre COVID19, discussions were taking place with the Trust looking at where services could be shared/procured jointly. Progress on this has been disrupted by COVID19.</p>
		<p>Engagement with procurement colleagues in other local authorities through the Hampshire and Isle of Wight Procurement Partnership Network. Share good practice and look for collaborative opportunities where appropriate.</p>	<p>Category 'drop in' sessions to be set up for commissioners on key procurement and contract matters and extend to external partners.</p>	<p>July 2020 Revised January 2021</p>	<p>Progress has been disrupted by COVID19</p>
		<p>The council participates in a number of regional consortiums for children's service's residential</p>			

		<p>placement and fostering arrangements.</p> <hr/> <p>The procurement and contract monitoring team has provided ad hoc advice and support to local schools.</p> <hr/> <p>The council has opened up some council contracts for use by town and parish councils, schools and charities ie fire extinguishers, building maintenance, beach and slipway cleaning, grounds maintenance.</p>	<hr/> <p>Develop relationships with local business networks to help promote the work of the council and share good practice and success stories.</p>	<hr/> <p>March 2020</p>	<hr/> <p>Consultation with FSB and chamber of commerce was undertaken on the new Procurement Strategy.</p> <p>Procurement and contract manager attended the local business network to give a talk on local government procurement.</p>
<p><u>Continuous development</u></p> <p>The procurement and contract landscape is fast moving with emerging case law and impacts from Brexit. It is important that the council's processes and documentation are continually reviewed to ensure they reflect case law and best practice.</p> <p>Staff who are involved in procurement and contract activity should have access to up to date training.</p> <p>Additionally, they should have access to clear, robust procurement rules</p>	<p>The council is a member of the Chartered Institution of Public Finance Accountants' (CIPFA) procurement and commissioning network and benefits from free training spaces, allowing officers to keep up to date with emerging case law and wider procurement and contract considerations.</p> <hr/> <p>The council has developed an in-house procurement and contract management training programme covering the following areas:</p> <ul style="list-style-type: none"> • General overview of rules, regulations and processes. • Specification drafting. • Tender evaluations. 	<p>Further develop the in-house training programme to pick up lower value contracts/purchases (sub £25,000).</p> <hr/> <p>Category 'drop in' sessions to be set up for commissioners on key procurement and contract matters.</p> <hr/> <p>Develop the procurement web pages of the Intranet to provide more guidance to staff undertaking procurements.</p>	<p>January 2021</p> <hr/> <p>July 2020</p> <p>Revised January 2021</p> <hr/> <p>May 2020</p> <p>Revised to January 2021</p>	<p>January 2021</p> <hr/> <p>July 2020</p> <p>Revised January 2021</p> <hr/> <p>May 2020</p> <p>Revised to January 2021</p>	<p>October 2020 update: The procurement and contracts team is looking to enhance training offered in the Learning Hub to cover sub £25k procurements.</p> <hr/> <p>Progress has been disrupted by COVID19</p> <hr/> <p>Due to other priorities in response to COVID19, the target date has been revised.</p>

	<p>and processes which protect against illegal/fraudulent activities, but which are proportionate and as streamlined as possible.</p>	<ul style="list-style-type: none"> Contract management. <p>The training is available for council officers to attend free of charge.</p> <hr/> <p>The council's contract standing orders are reviewed annually and updated if necessary.</p> <hr/> <p>The Procurement and Contract Monitoring Team lead carries out a quarterly review of procurement documentation.</p> <hr/> <p>There is a standing item on Procurement and Contract Monitoring Team meeting agendas to consider areas for improvement.</p>			
<p>Behaving commercially</p>	<p><u>Creating commercial opportunities</u></p> <p>As grants from central government are reduced, the council is looking at other means of reducing funding deficits. Commercial opportunities can be created in many different ways, from conventional means such as increasing returns on assets to the way it engages with its</p>	<p>The procurement and contract monitoring team work with commissioners to create innovative performance monitoring regimes designed to promote a high standard of delivery.</p> <hr/> <p>The council has developed professional, flexible procurement documentation that demonstrates that the council is open to doing business with all organisations regardless of size or sector.</p>	<p>Embed the procurement function within the council's commercialisation programme/project boards and decision-making process.</p> <hr/> <p>Explore alternative delivery models such as trading companies.</p>	<p>TBC</p> <hr/> <p>November 2019</p>	<p>July 2020 update: The procurement and contracts team has supported conversations and advised on the establishment of trading companies.</p>

	development partners and third-party suppliers.				Oct 2020 update: The procurement and contracts team are working with service areas to explore alternative methods of delivering services for partners and stakeholders, such a managed service, rather than establishing a framework agreement.
	There are many ways in which commercial opportunities can be created through the strategic management of the procurement cycle and the services and assets delivered through the contracts it creates.	The council promotes the use of outcome focused specifications to encourage supplier innovation and utilises the procurement process to invite and evaluate the best commercial proposals.			
	Commercialisation is a broad subject and this theme is confined to how procurement can contribute to its successful delivery.	The council has developed an in-house procurement and contract management training programme designed to promote commercial thinking in its procurement processes.	Use the council's procurement and contract monitoring expertise for commercial gains and look to create income opportunities.	July 2020	July 2020 update: The procurement and contracts team has supported a number of local schools which has generated a small income. October 2020 update: Further support has been provided to local schools which has generated income for the council.
	Where appropriate, the council considers wider benefits to council contracts including income opportunities.		Develop data and reporting in relation to procurement and contracting to better inform decision making.	December 2020	July 2020 update: Work has been undertaken to cleanse and populate the contracts database and ensure the correct notifications are applied to each entry. This will further develop with the introduction of the contract monitoring system. October 2020 update: Procurement pipeline is being used to proactively

					<p>make contact with service areas and start discussions about future commissioning options.</p>
	<p><u>Managing contracts</u></p> <p>Effective contract management will protect the council's commercial interests and will ensure that:</p> <ul style="list-style-type: none"> • outcomes, inputs and outputs agreed at the outset are delivered in a timely and cost-effective manner; • issues of non-compliance or variation are picked up early and are either dealt with or escalated for resolution as appropriate and remedies applied as necessary; • contract costs and risks are managed in a timely proactive fashion, reviews are undertaken and lessons learnt are fed back into the commissioning and procurement 	<p>The council has developed a contract management framework and toolkit for use by contract management officers to ensure a consistent approach to contract management.</p> <hr/> <p>The council uses a contract tiering tool to categorise contracts to ensure the level of contract management activity required is proportionate.</p> <hr/> <p>The council has implemented a contract management system to allow corporate oversight of how the council's contracts are performing, allowing for early interventions in cases of poor performance.</p> <hr/> <p>The council has developed its contract documentation to allow for modification and innovation throughout the life of contracts. Performance monitoring and key performance indicators are clearly linked to contract remediation clauses so that suppliers are clear from the before they tender how they will be managed and their performance monitored, and the</p>	<p>Develop data collection and analysis as the contract monitoring system become embedded and utilised council wide.</p>	<p>December 2020</p>	<p>July 2020 update: Work has been undertaken to cleanse and populate the contracts database and ensure the correct notifications are applied to each entry.</p> <p>This will further develop with the introduction of the contract monitoring system.</p> <p>October 2020 update: Approval for new contract monitoring system was given in September 2020. Data collection and analysis will develop as system is populated.</p>

	<p>process to ensure continuous improvement;</p> <ul style="list-style-type: none"> we only pay for services delivered. 	<p>actions that will be taken in the event of poor performance.</p>			
<p>Local community and economy</p>	<p><u>Obtaining social value</u></p> <p>During times of austerity, the public sector is under constant pressure to achieve more for less. Social value is an effective way of achieving smarter procurement while improving economic, social and environmental wellbeing over and above the delivery of the services directly required, at no extra cost.</p>	<p>For the previous three years the council has applied social value considerations over and above the minimum requirement. The Public Services (Social Value) Act 2012 requires all public sector bodies in England and Wales to have regard economic, social and environmental wellbeing in connection with “above threshold” public services contracts. The council has committed to consider social value for everything over £25,000, where relevant to the subject matter of the contract.</p> <hr/> <p>Where appropriate, social value measures are being built in to our contract performance monitoring regimes to demonstrate that the committed benefits are being realised through the life of the contract.</p> <hr/> <p>The council has access to a social value measuring tool allowing commissioners to quantify the social value of a service and to</p>	<p>As the contract monitoring system embeds, reporting of social value achievements will be captured and can be used to promote the good work of the council.</p> <hr/> <p>Develop guidance on social value for council staff involved in procurement and contract activity to assist them with their understanding of social value and the benefits that it can bring when applied appropriately in a procurement process.</p>	<p>December 2020</p> <hr/> <p>February 2020</p>	<p>October 2020 update: Approval for new contract monitoring system was given in September 2020. Data collection and analysis will develop as system is populated.</p> <hr/> <p>Social value now forms part of the internal procurement and contract management training program that is delivered to council officers involved in commissioning and contract management.</p> <p>This will be further developed with guidance available in the Intranet.</p>

	<p><u>Small to Medium Enterprises (SMEs)</u></p> <p>SMEs play a major role in creating jobs and generating income for those on low incomes; they help foster economic growth, social stability, are a source of innovation and contribute to the development of a dynamic private sector. The Council plays an important in encouraging the establishment and growth of SMEs in the local area.</p>	<p>put a value to it. This aids the Council is its decision making.</p> <hr/> <p>Where it is able to, when commencing a procurement process, the council will consider the route to market and structure of the procurement (ie breaking a larger contract in to lots) to encourage participation by SMEs and micro SMEs.</p> <hr/> <p>The council has developed professional, flexible procurement documentation that demonstrates that the council is open to doing business with all organisations regardless of size or sector.</p> <hr/> <p>The council's contract standing orders include requirements for commissioners to seek quotes from local suppliers for contracts below £25,000, and to award locally where it can be demonstrated that they provide best value.</p> <hr/> <p>A number of workshops have been run for various local markets ie voluntary and community sector, local construction forum explaining how Council procurement processes are run.</p> <hr/>	<p>Create a more structured programme of 'doing business with the council' workshops for the local market.</p> <hr/> <p>Development of a sub-contractor programme whereby companies can register themselves with the council as being open to working with larger companies as sub-contractors. These details can be passed on to larger contractors through the council's procurement processes.</p> <hr/> <p>Develop relationships with local business networks to act as a 'critical friend' and promote the council's procurement and contract activity and success stories.</p> <hr/> <p>Develop the use of prior information notices to engage SMEs prior to the commencement of the procurement process.</p>	<p>January 2021</p> <hr/> <p>April 2021</p> <hr/> <p>March 2020</p> <hr/> <p>January 2020</p>	<p>October 2020 update: Under review due to current COVID-19 restrictions. Exploring virtual delivery.</p> <hr/> <p>Consultation with FSB and chamber of commerce was undertaken on the new Procurement Strategy.</p> <p>Procurement and contracts manager attended the local business network to give a talk on local government procurement.</p> <hr/> <p>10 prior information notices have been published prior to the commencement of the procurement process.</p>
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Environmental considerations	<p>Environmental or green procurement is defined as the purchase of products and services which have less impact on the environment and human health compared with competing products or services that serve the same purpose.</p> <p>This comparison may consider the source of raw materials, production, manufacturing, packaging, distribution, potential for reuse and recycling, operation, maintenance, or disposal of the product.</p>	<p>Environmental evaluation criteria are included in our procurement processes where appropriate and will ensure that potential suppliers have appropriate environmental policies and practices. Suppliers can be excluded from our procurement processes if they have fallen foul of their environmental obligations. Contract specific criteria is also included where directly linked to the subject matter of the contract.</p>	<p>Promote environmentally preferable products ie products that have a lesser or reduced negative effect on human health and the environment when compared with competing products that serve the same purpose. This comparison may consider raw material acquisition, production, manufacturing, packaging, distribution, reuse, operation, maintenance, or disposal of the product or service.</p>	<p>March 2021</p>	<p>The procurement and contracts team is working alongside the sustainability team to guide commissioning officers in promoting environmentally preferable products in their procurement processes.</p>
		<p>Key performance indicators are built in to the council's contracts, where appropriate, to monitor the carbon emissions.</p>	<p>Closer liaison with council's sustainability team to advise on higher environmental standards and key performance indicators to be required in procurements and contracts.</p>	<p>December 2019</p>	<p>The council's contract monitoring officer is working with the sustainability team to advise on KPI and performance monitoring where appropriate.</p>
			<p>Work with the sustainability team to identify the council's contracts which are likely to have the biggest impact on the council's carbon footprint and put in place a process for collecting carbon emissions data from contractors that are within scope (two largest contracts are already doing this).</p>	<p>March 2020 Revised September 2020</p>	<p>The council's contract monitoring officer is working with the sustainability team to advise on KPI and performance monitoring where appropriate. Recent examples include the requirement of a report to be produced and supplied annually by the 30th of April each contract year of fuel consumption by contractor in operation of the grounds maintenance contract.</p>

			<p>Develop guidance on environmental considerations for council staff involved in procurement and contract activity to assist them with their understanding of environmental issues and the benefits that it can bring when applied appropriately in a procurement process.</p>	<p>TBC – linked to outcome of climate emergency task and finish group</p>	
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