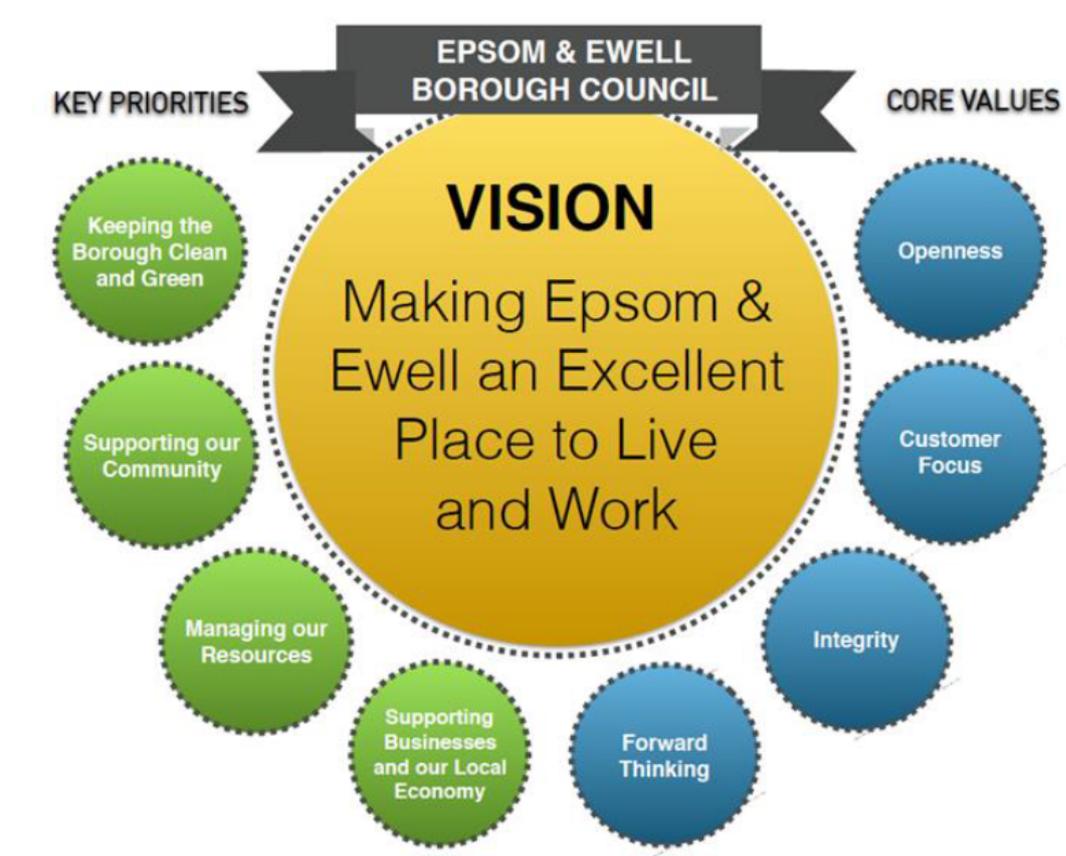


Procurement Strategy March 2017



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Vision, Priorities and Values

Our Vision

Making Epsom and Ewell and Excellent Place to Live and Work will be met through our four key priorities; Keeping the Borough Clean and Green; Supporting our Community; Managing Our Resources; Supporting Businesses and our Local Economy

Challenges and Opportunities

There are a number of challenges and opportunities to the delivery of our services:

- Managing market and cost pressures in an ongoing period of financial austerity for local government, whilst in some sectors facing increasing price and demand from the private sector that impacts our market influence;
- Delivering successful partnerships and driving collaboration through procurement, both locally and regionally;
- Changes to procurement legislation and maximising the use of technology to drive simpler and more cost effective processes for buyers and suppliers; and
- Ensuring that we have the skills, capability and capacity to deliver against our purpose as a service

Key Actions to meet the above challenges

These fall into the following key areas;

To be Compliant –To ensure key changes to legislation are adopted; more specifically those affecting both above the EU financial threshold and below are adopted e.g. contract modifications, termination, abnormally low bids, procurement reports; reforms to ensure optimum opportunities for SME's.

Improve Management Information; Diversify our supplier base; Improve contract performance and management; Make best use of collaborative opportunities; Better our use of framework agreements; Develop our core procurement skills; Ensure business continuity in procurement; review purchase order system and examine potential for electronic invoice processing

To achieve these we will;

Prioritise these key actions as noted in the strategy for 2017/2018, which support achievement of the four key Council priorities

Review and refresh our key actions each year of this strategy to ensure that they continue to meet the demands of our changing environment and of our customers and partners.

Develop opportunities within contracts to support the local economy both in terms of local suppliers and promoting local employment

1. Introduction – why we have this Strategy

This procurement strategy sets out the Council's overall aims and objectives in relation to procurement for the future, whilst recognising that most procurements fall below the thresholds for the full tendering regime of the regulations.

It is intended that by setting out the councils overall approach to procurement that we create a clear, transparent strategy for procurement which is clear for members, officers and residents alike, and to inform suppliers - both current and potential. This strategy details the principles that will be adopted for the future procurement and provision of services and sets out a number of key areas of work that will support achievement of the organisations overall aims.

Since 2015, new regulations have been introduced and enshrined within UK law under the Public Contracts Regulations 2015. These new regulations have sought to:

- Codify case law and provide clarity
- Promote Transparency
- Improve efficiency in procurements
- Reduce red tape
- Reduce timescales
- Improve choice
- Promote greater access to public sector business to SME's
- Offer a range of procedures – not detailed within this strategy.

Epsom and Ewell Borough Council is a medium sized organisation and the requirements of tendering need to be kept reasonable and manageable, commensurate with its Values and Priorities, whilst acknowledging the obligations (including the need for modernisation and transparency) placed upon it by being a public sector organisation.

This strategy aligns to the Council's approach to **commissioning and procurement**. In that we define commissioning as "the ways in which the Council assesses the needs of people in an area, determines priorities, designs and sources appropriate services and monitors and evaluates their performance"

Procurement is defined as the process of acquiring goods, works and services, covering both acquisitions from third parties and from in-house providers. The process is part of a commissioning framework which spans the whole life cycle from identification of needs, through to the end of a services contract or the end of the useful life of an asset. It involves options appraisal and the critical "make or buy" decision. Please see diagram at 3.4.

Epsom and Ewell Borough Council spends some £14.5 million each year in revenue spend through its' agency staffing costs and with outside suppliers and therefore it is essential that this money is spent effectively in a way that maximises spending power.

To this end, this strategy recognises the wider social objectives which the Borough Council wishes to pursue, in relation to equalities and diversity, support for social enterprise and the voluntary and community sectors and to encourage innovation.

This procurement strategy is an important document to clarify and inform staff of the council's ongoing aims to obtain the best outcomes through compliant, cost effective and commercially based procurement.

1.1 Who is this Strategy written for?

There are a number of key audiences for this strategy. It has been written to ensure there is a consistent approach within Epsom and Ewell Borough Council but it has also been written to inform current and potential suppliers about the organisations' aims and objectives and also for the wide range of partners with whom the Council works.

1.2 Underlying Financial Situation

In recent years the public sector has almost continuously faced the need to reduce expenditure and obtain more for less; successive budgets have adopted austerity measures which have reduced funding for many parts of the public sector and significantly for local authorities.

1.3 Review

The Council has implemented an efficiency plan to find savings and better ways to achieve required outcomes.

1.4 Overall aim for procurement

The overall aim is for the approach to procurement to ensure that the Council maximises the best use of its resources while at the same time meeting wider social objectives. The aim is:

“To develop a procurement model across all services that is:

Compliant, Commercial, Cost-effective and provides greater internal Challenge.”

Compliant – Procurement principles should be applied consistently across all procurement with common processes which are understood by both officers of the Council and those expressing interest in and tendering for Borough contracts. All procurement and purchasing must be compliant with the Public Contracts Regulations, the Councils governance structure and Financial Regulations, transparent and open to scrutiny. Compliance should not be seen as an option or optional.

Commercial – Specified requirements should not be over prescriptive and where possible expressed as outcomes. The use of outcome specifications can effectively transfer risk from the Council to contractors who are better placed to manage it

effectively. This will enable the market to use their commercial expertise to bring forward innovative and efficient ways to deliver better services at better cost. Supply should be aggregated where possible to achieve economy of scale to increase interest in Council contracts from the market.

Cost effective – In the current financial climate especially we are looking to reduce costs. Price will be an important criterion in all procurement processes. To achieve cost effectiveness the Council is committed to competitive tendering for the award of all contracts for works, supplies and services. At the same time procurement methods also need to be cost effective and the use of the e-tendering system will assist with this. Framework agreements and collaboration with other public bodies where they are appropriate, and can be used, will be, to reduce the cost of procurement.

Greater internal challenge – Rigorous commissioning processes to establish need and determine required outcomes are required through the use of business cases, particularly for capital bids and for project management; all proposed procurement projects and decisions to spend with third party organisations should be subject to scrutiny and challenge by the Leadership Team and potentially the relevant Committee of the Council.

This will achieve:

- Legitimately procured contracts supported by sound business cases.
- Expert, innovative and sustainably deliverable solutions from the market.
- Delivery of cost effective services, supplies and works.
- Increased demand management.

Procurement is one of the key planks for delivering value for money through a process that is open to challenge legally when not conducted in accordance with the regulations surrounding it.

2. Sustainable Procurement

The Council has key priorities which will be impacted by this procurement strategy, namely, supporting our local economy and Keeping our Borough Clean and Green.

3. Factors to consider in reviewing the procurement function

Scope

This strategic review and resultant strategy has looked at procurement across the Council and whilst not covering all the procurement related activities of the organization, the whole process of procurement was looked at from the identification of need, commissioning, through the procurement process, and contract management.

The key areas of the review were:

- To define the Councils vision for procurement
- To set up periodic reviews of procurement

- To define the governance structure around procurement
- To prioritise a number of areas for procurement action and
- To Implement and develop to operational level the e-tendering system

3.1 Governance

Current governance requirements in terms of the minimum requirements for procuring goods and services, and for the required authorisations, are set out in Appendix A. and also form part of the competition policy.

3.2 Responsibility for Commissioning and Procurement Projects

The Council has adopted an approach to commissioning that gives individual managers the responsibility to commission services. As part of that process of commissioning, managers are responsible for conducting procurement projects using the guidance contained herein. Contract leads may be asked to attend Management Team meetings to report on the progress of procurement projects as and when necessary. Directorates will be required (with support) to undertake the procurement of contracts in accordance with the governance requirements set out in a timely and compliant manner and to robustly manage those contracts to achieve the delivery of the specified outcomes and best value.

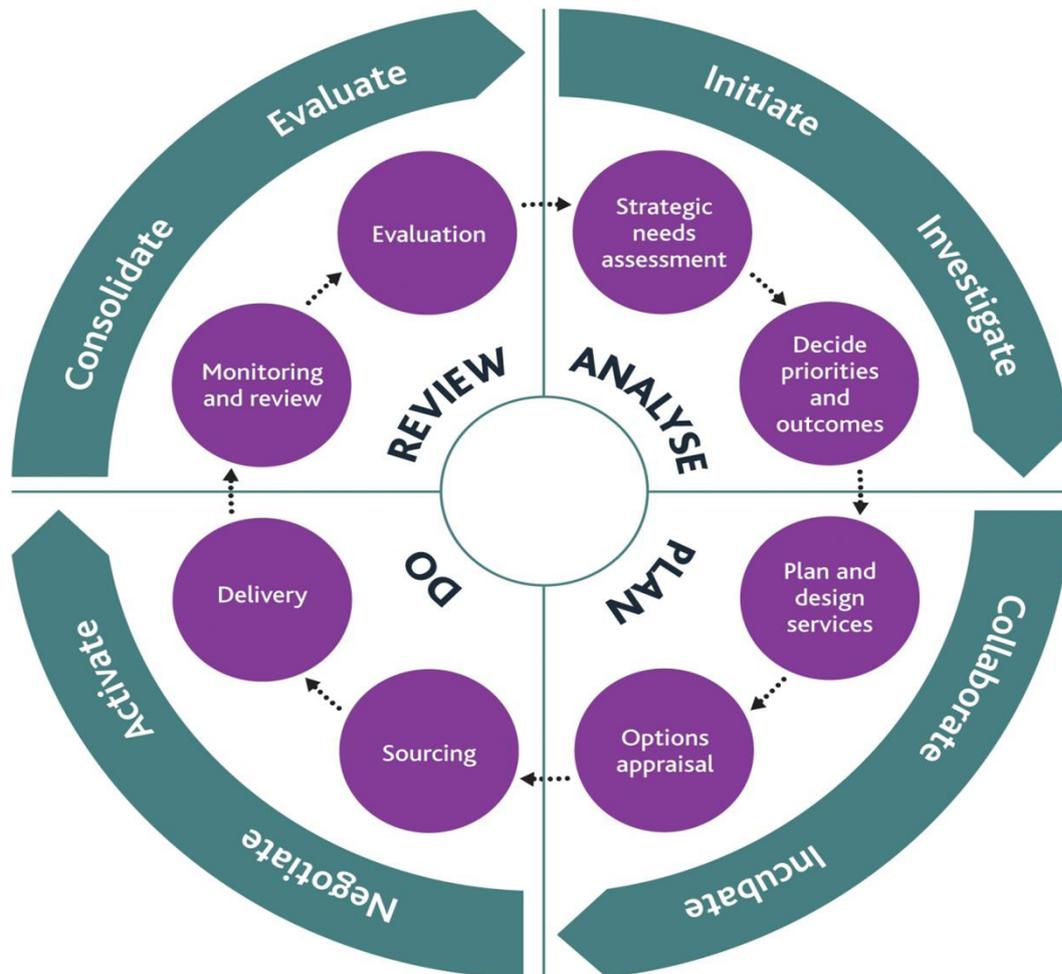
3.3 Procurement Spend

The Council spent circa £14.5M, including agency staffing costs (but excluding employed staff salary costs) with third party suppliers in 2015/2016. All expenditure could potentially come under the scope of procurement.

The categories of spend by headline category can be found in Appendix F.

3.4 Epsom and Ewell Borough Council as a Commissioner

The Council is looking to formalise its approach to procurement and commissioning. This approach to commissioning will be applied across all services whether they are provided from external, internal or other public sector providers. This approach to commissioning and procurement should result in such projects being managed in a consistent way. In order to dovetail with the commonly understood commissioning cycle, the activity at each stage would look diagrammatically as follows:-



4. Key Objectives

The following are the areas for action developed from this strategy:-

4.1 Become a compliant organisation

What we need to do to become a compliant organisation for both above and below threshold procurement practices;

- Endorse strategy to progress actions proposed
- Recognise one such challenge is to recognise the need to become compliant, to adopt modern procurement techniques and understand the legal, governance and transparency obligations within which we must operate

Category management is one methodology to manage buying activity by grouping together related supplies and services across the Council. Given the expenditure, scope and breadth of the work of the Council, some category management of key areas is desirable; e.g. agency staff, property management, ICT and facilities management

How we are going to do this;

In such instances, the Leadership Team would identify a procurement lead based on spend or significant impact and who will take responsibility for investigating and

improving procurement performance for the category. The finance team will provide spend analysis and management information. Under the guidance of the contract lead manager the necessary procurement work will be done to:

- Aggregate spend and realise savings
- Rationalise the supplier base
- Ensure optimum contract packaging to transfer risk to suppliers and increase commercial interest

Using this technique of managing procured services, management can be extended where necessary to interface with partners to further take advantage of opportunities to:-

- Aggregate spend across purchasing units and achieve economies of scale
- Manage and develop markets
- Rationalise specifications
- Rationalise the supplier base
- Reduce/share procurement costs
- Implement the action plan as a result of adopting this strategy

4.2 Improve Management Information to enable forward planning and decision making

Epsom and Ewell Borough Council has procured an electronic tendering system which provides a complete audit trail of tender processes and facilitates scrutiny. The system also has a contract register facility to record contracts. Work is being done to obtain details of existing contracts from Directorates so the register may be fully populated. All newly procured contracts will be added as they are awarded.

Increased visibility of supplier spend can be achieved through regular spend analysis; again some e-tendering systems can enable this by category, spend, supplier base, transaction numbers etc. down to individual invoice lines.

At the same time visibility of contracts, performance and spend will facilitate contract managers to renegotiate the cost, performance and methods of delivery of major contracts. It will also enable conformance with Local Government Transparency Act requirements.

4.3 Supplier Diversity

The Council recognises that supplier diversity is important both in terms of competitive sustainable markets and supporting the local economy. Competition will be actively managed from a wide range of providers including:

- commercial sector organisations both big and small (Including SMEs)
- the voluntary and community sector, and

- social enterprises

The Localism Act 2011 can offer further opportunities for the diversity of supply as this act enables residents to 'bid' to take over services currently commissioned by the Council to provide a 'community owned' service which will deliver added value because local people will have a more personal investment in it.

In order to encourage the development of such community owned services, the procurement process will need to be open and accessible to residents and will need to actively support resident participation. It will also need to acknowledge success criteria that local people recognise and involve them in the evaluation thereof.

4.4 Social Value

The [Public Services \(Social Value\) Act](#) came into force on 31 January 2013. It requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits. Before starting the procurement process, officers should think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area or stakeholders. The Act is a tool to help get more value for money out of procurement. It also encourages officers to talk to their local provider market or community to design better services, often finding new and innovative solutions to difficult problems.

4.5 Improve Electronic Invoice Processing

Epsom and Ewell Borough Council uses Civica financials as its accounts management system.

There do not seem to be any plans at present to look at full electronic invoice processing and it is unclear as to whether Civica financials support this, however, it may be something to be explored in the future. Essentially this would give the functionality to allow invoice receipt, workflow processing approval and payment without the need for printed material.

4.6 Improve Contract Performance Monitoring and Management

In terms of contract management and performance, the e-tendering solution we have offers automated reminders to contract managers at key times in the life of the contract.

The Council has high expectations of its contractors and suppliers to deliver quality goods and services effectively, efficiently, economically, on time and to the satisfaction of residents and officers. To ensure these expectations are met, strong contract management skills and procedures are necessary together with appropriate sanctions for contractors and suppliers if they fail to deliver as required. At the same time consistent, regular and productive communication between contract managers and contractors needs to occur in order to achieve better outcomes and cost savings through innovation.

All contract managers are expected to manage the delivery of service proactively to ensure services are delivered to the required quality and develop sustainable relationships with suppliers to promote innovation and mutual respect and thereby achieve the best outcomes for citizens.

4.7 Collaboration with partners

Public bodies procure many supplies and services which are common. Economies of scale by aggregation of spend, sharing of procurement costs and expertise can all result in better value for Epsom and Ewell BC. The proposed collaboration policy is set out in the Appendix B.

4.8 Better use of framework agreements

It is advisable and good practice to seek opportunities to use either government or purchasing consortia arranged framework agreements, work is needed to identify where these may be available and opportunities for their use. Analysis will identify areas of spend where the use of framework agreements could provide an appropriate solution to allow diversity of supply and reduce procurement timescales and cost.

4.9 Skills Development

The change in emphasis to using compliant procurement practice, spend control to manage categories of expenditure will require managers in the Council to develop procurement skills and knowledge. Contract managers would also benefit from training in contract management, in accordance with contract management guidance and to obtain better value from contracts. E-tendering system training is necessary for those undertaking procurement, but an appreciation of its functionality would be useful for all.

4.10 'Doing Business Better'

As part of the Medium Term Financial Strategy 2016 – 2020, better procurement stands neatly with the councils programmed aim of undertaking reviews over the 2016-2020 period for services, with the aim of increasing efficiency, effectiveness and cost.

The Council will look at its processes and procedures to reduce barriers to doing business with the market especially in relation to Small and Medium Size Enterprises (SMEs), local businesses, voluntary sector organisations and social enterprises. It will look across the range

of activities to package and otherwise make contracts commercially interesting to the market and accessible to all sectors. The Council will adopt consistent practices and processes to ensure transparency and a level playing field for suppliers and prospective suppliers.

4.11 Business Continuity in Procurement

All Local Authorities in the UK are statutorily required to have business continuity plans for their services and to make sure any contracted service also has them. It follows that one of the objectives is to ensure that its suppliers have effective business continuity plans in place. Services within the Council are tasked with ensuring that those suppliers delivering services or capabilities which underpin services can deliver to the extent required.

At the same time, the Council wishes to support suppliers to comply with business continuity good practice guidelines by signposting them to the Surrey local resilience forum - so that no supplier is excluded from competing for a contract.

4.12 Procurement Pledge

The Council as the umbrella organisation has looked at the 'Procurement Pledge' which is a formal and public commitment to work within our supply chain to create employment and training opportunities. The Council recognises this and will promote it by; promoting apprenticeships; will look at existing contracts and seek voluntary commitment from contractors to create apprenticeships and other opportunities; will consider setting internal targets to increase training and job opportunities through procurement; will promote the commitment to the pledge to contractors and to the wider public through meetings, events and media.

5. How the Council will procure. The Council as a Commissioner.

There are clear stages in the process from assessing need (commissioning) through to procurement, for ease of reference these are:-

Commissioning:

- Assessment of Need
- Current Services and Best Practice Assessing resources available
- Market consultation
- Market research and analysis Opportunities to collaborate and innovate
- Option Appraisal
- Risk Analysis
- Scoping the Requirements
- Preparation of the Business Case for Leadership Team Review for procurements over £20k
- Business Case for decision to proceed.

Procurement:

- Deciding the procurement route:
 - Is there an available contract through existing arrangements?
 - Is there an extant framework agreement available from another authority or public sector buying organisation?
- Would collaboration with others be viable?
- Advertising contract and conducting the tender process.
- Agreeing contract award by the relevant Head of Service in consultation with the council's statutory officers.
- Approval of award by the relevant committee
- Contract Management / Performance review

The Council is committed to procurement through open and transparent competition as set out in the Competition Policy (Appendix A).

6. Equalities in Procurement

Equality and Diversity is well-embedded into Council practices and always forms part of the thinking in our decision-making processes. The Equality Act, which came into

place on 1 April 2010, replaces all previous equality legislation and introduces a Single Equality Duty for the Council and other public authorities. The Equality Duty requires public bodies to consider all individuals when carrying out their day to day work – in shaping policy, in delivering services and in relation to their own employees. It therefore has important implications when procuring services.

7. Procurement Policies

To support the procurement strategy a number of procurement policies have been developed to guide managers. The following policies can be found in the Appendices.

Appendix A - Competition Policy

Appendix B - Collaboration Policy

Appendix C - Policy for Promoting contract opportunities for SMEs, Voluntary Organisations and Social Enterprises

Competition Policy

Introduction

Epsom and Ewell Borough Council paid some 1065 suppliers in 2015/2016 and with whom the Council spends over £14.5m p.a.

For an organisation of this size and expenditure profile I would expect to see a supplier base of less than 300 suppliers, some supplier rationalisation would therefore be possible.

The expenditure with individual suppliers ranges significantly. The Council needs to ensure that it gets best value from all its procurement and ensure that what it buys is both fit for purpose and obtained at an economic price.

Policy

Epsom and Ewell Borough Council is fully committed to securing all supplies, works and services through a challenging process of competitive tendering in order to obtain best value. The Council will, subject to the exceptions set out below or reasons of extreme urgency require all contracts to be publicly advertised and tendered.

The exceptions to this policy are:

- Where the Council already has an extant compliantly procured contract or framework agreement.
- Where supply can be obtained through an EU compliant framework agreement established for use by public bodies or public sector buying organisation.
- Contracts below £5,000. (However it is expected that officers will subject many of these small contracts to quotation in order to prove the duty of value for money and open more of the Council business to SME's.)

The exemptions through good governance would normally relate to:

- where effective competition is prevented either by government control or by the supplies or services being proprietary and/or are sold only at a fixed price; or solely in connection with repairs to or parts for existing vehicles, machinery, plant or systems

Reasoning behind the Competition Policy

This policy is recommended for adoption for the following reasons:

As a public body the Council is currently bound by the legislative requirements the Public Contracts Regulations 2015.

The increasing financial restraints on the Council mean that it needs to obtain more for every pound spent.

Competition is recognised as a method which is successful in achieving reductions in price and cost.

Competition facilitates the market to put forward commercial and innovative solutions to achieve the specified outcomes.

The open tendering of, in particular, smaller contracts is a major contributor to providing opportunity for local small organisations to participate and strengthen the local economy.

The details of the Councils minimum requirements for procuring goods and services are set out below;

PROCEDURE	TOTAL CONTRACT VALUE	AWARD CRITERIA
Quick Quote (QQ)	£5,000 – £24,999	Price only
Request for Quotation (RFQ)	£25,000 – £164,176	Price and Quality
Consultancy	£0 – £164,176	Price and Quality
Open Process (combined PQQ/ITT)	£164,176 - £750,000	Price and Quality
Restricted Process (PQQ & ITT)	£164,176 - £750,000	Price and Quality
Framework	£0+	Price and Quality
Existing Framework mini competition for call-off	£0+	Price and Quality
Waiver	£5,000 - £164,176	Waiver procurement process in exceptional circumstances only

Implementation

The Council has adopted an electronic procurement system whereby all tenders and referral for quotations will be administered electronically. The use of electronic tendering has the following advantages:

- Tender timescales are reduced

- Easy electronic access for tendering for suppliers large and small
- Automatic advertising through the tenders portal

And for small tenders and Referrals for Quotation (RFQs):

- Pre-registered suppliers for most requirements
- “Quick Quotes” for small purchases to obtain best price

The table below indicates the current arrangements for authorisations for entering into contracts:

Up to £4,999	Officer with delegated authority
£5,000 up to £24,999	Head of Service
From £25,000 up to EU Threshold	Head of Service in conjunction with a Finance representative
Above EU Threshold	The relevant committee

* Note: bespoke requirements can be incorporated into an e-tendering solution.

Oversight

The governance team will monitor the use of tendering; RFQs and Quick Quotes against expenditure to ensure that all appropriate contracts and purchases are procured in accordance with this competition policy.

Epsom and Ewell Borough Council – Collaboration Policy

It is recognised that collaboration between public bodies in procurement can on many occasions achieve better value for public bodies as against individual procurement. Whilst it is currently a theme across London and great efforts are being made to identify areas where collaboration may be useful, this policy sets out the Council's approach to collaboration and the matters to be noted when considering collaborative procurement.

Principles for Collaboration

The Council will actively look to take advantage of opportunities to collaborate on procurement with other public bodies wherever it meets the requirements of the Council in terms of:-

Being commercial – There must be tangible advantage in cost through aggregation of spend, economy of scale and market leverage.

Synergy of objectives – A satisfactory result will only occur if the parties to the collaboration can agree common objectives.

Appropriateness to the market – The market needs to be considered as to whether collaboration will be an advantage. It is necessary to look at the typical size and types of supplier in the market and how collaboration may affect market capacity and diversity. Collaboration can result in very large contracts the size of which may limit competition to big prospective suppliers only. Collaboration may not be appropriate in markets where local responsiveness is paramount or suppliers tend to be smaller organisations. Aggregating supply can reduce prices in the short term but in the medium term may reduce competitiveness in the market.

Timeliness – The collaboration needs to progress expeditiously and not result in the Council having a gap in supply, being open to unnecessary risk of procurement challenge or losing opportunity to make early savings. It is advisable to note that sometimes coming to agreement on how and what to procure and agreeing protocols between bodies can be resource intensive and time consuming.

Supporting sustainability objectives – The Council will take its local sustainability objectives into account. The collaboration would need to support:

Local supply, increasing opportunity for SMEs, Voluntary organisations or Social enterprises supporting local employment opportunity and environmental requirements.

How will Epsom and Ewell Borough Council collaborate with others?

The Council will collaborate on procurement as relevant for any contract;

Nationally – i.e. with Crown Commercial Services and other commonly use consortia, e.g. YPO: www.ypo.co.uk, procurementservices@ypo.co.uk ESPO: www.espo.org NEPO: www.nepoportal.org CBC: www.cbconline.org.uk

Regionally - i.e. with Surrey County Council or the South East region. Sub regionally – i.e. with the eleven Surrey Boroughs/Districts

Other partners – There may be times when it is appropriate to collaborate with other public bodies such as health, housing, or the police and other groupings of local authorities which may come together from time to time.

Scrutiny

The Governance team will monitor opportunities for collaborative procurement and require business units to justify why they are not procuring with other public bodies in appropriate cases.

Policy for promoting contract opportunities for SMEs, the Voluntary and Community Sector and Social Enterprises

Introduction

Epsom and Ewell Borough Council recognises that SMEs, the voluntary and community sector and Social Enterprises are valued and responsive suppliers to the Council and have a major part to play in sustaining the local economy, creating employment and delivering cost effective services.

This policy sets out how the Council will facilitate opportunity for SMEs, Voluntary Organisations and Social Enterprises, to bid for Council contracts without discrimination and without invalidating or precluding fair competition.

The Department for Communities and Local Government (DCLG) has issued Best Value Statutory Guidance which requires that “Authorities should be responsive to the benefits and needs of voluntary and community sector organisations of all sizes (honouring the commitments set out in Local Compacts) and small businesses”.

Public Procurement Legislation Context

The Council, as a public body, must comply with the Public Contracts Regulations and be open, fair and transparent in its procurement practice. The Council cannot discriminate within procurement. The Council must openly advertise contracts to all those who may be interested in expressing interest and may not use nationality, location, or an organisations type as a criteria for inclusion in (or exclusion from) a tender process.

The Council is also fully committed to securing all supplies, works and services through a challenging process of competitive tendering in order to obtain best value using the whole market.

Policy

The Council encourages the participation of SMEs, Voluntary Organisations and Social Enterprises in expressions of interest for contracts. The Council will ensure that, where appropriate, opportunity is facilitated for such organisations to compete for contracts. The Council will support and facilitate such opportunity but it cannot assist organisations, during or immediately before any tender process nor can it give any support which would distort open competition or which could be construed as discrimination. At all times Epsom and Ewell Borough Council will require best value.

Where internal Council service units express interest in delivering services in competition with the external market they will be expected to compete on the basis of equal and even competition.

Implementation

The Council will take the following measures to implement this policy:

Tender Packaging

The Council is constrained by the principle of aggregation which prevents Public Bodies from unreasonably breaking up their supply requirements to avoid proper competition and especially the requirement to publish OJEU notices (Advertising within the whole EU) above the relevant thresholds.

However officers commissioning services will be required to look for where there may be opportunities for SMEs, Voluntary Organisations and Social Enterprises either to supply direct to the Council or to become part of a main contractors supply chain.

Ensuring Opportunities are advertised - Small Tenders

There are a significant number of suppliers with turnover of less than £100,000 with the Council. There is therefore considerable scope for smaller contracts to be taken to the market.

The Council has adopted an electronic tendering system which facilitates easier issuing and receipt of tenders, it will also:

- Get the processes more widely known by Directorates
- Provide a Quick Quote (QQ) and Request For Quote (RFQ) facility to a wider range of officers
- Encourage the use of Quick Quotes and RFQs to open more small contracts to the market.
- Challenge new suppliers set up for evidence of tendering or other procurement compliant process.
- provide encouragement to suppliers and potential suppliers to register for contract opportunities

Tender Documentation

Standard Questionnaire – A simple PQQ (if at all) for small contracts to encourage smaller organisations to express interest. Clearer Specifications – officers within the Council have the areas of expertise relevant to their service areas, training on specification writing are available so that commissioners can express the requirements more clearly and succinctly. There will be more focus on specifying outcomes.

Ensuring a level Playing Field

The leadership team will challenge contract managers when they do not procure transparently and on a level playing field. It should become the established norm that all Council contracts will be awarded only as a result of competitive tendering either by the Council or a public body working on their behalf.

Challenge Contract Extensions

It can become practice to merely extend existing contracts, however this is not good practice without good reason. It is therefore advised to provide greater challenge of proposed contract extensions unless there is a sound business case for doing so. This could get more opportunities put out to the market.

Assessment of Risk and Financial Standing Requirements

Epsom and Ewell Borough Council has very clearly laid out financial regulations and contract standing orders which are reviewed regularly and which state tender thresholds and competition requirements. Specific risk assessments relative to contract requirements should be available in line with good contract monitoring and management.

Engagement with Local Businesses

Continue to foster links through the local Surrey Chambers of Commerce and other local business networks:

Create a dialogue to establish what they consider prevents them from competing for Council contracts.

Offer market engagement opportunities relative to contracts being offered.

Market Consultation

Make greater use of market consultation events to encourage and provide opportunity to smaller suppliers to compete for contracts, inclusion on framework agreements and meet with main contractors to enter their supply chains as part of the pre tender process. We will also use market consultation events as an opportunity for local SMEs to introduce themselves to prospective main contractors.

The Role of the Governance Team

There is a role in overseeing contracts to be taken by the Leadership Team, particularly for major contracts, or those of particular significance (e.g. wider interest, politically sensitive). The Leadership Team should ensure services have available the necessary professional expertise, management information and advice.

The role of the Leadership Team will be:

Strategy

- Review of Procurement strategy
- Development of procurement policy
- Take advice on opportunities for collaboration
- Ensure markets are engaged
- Oversee the contract management strategy

Governance

- To ensure the availability of advice on the interpretation of EU/UK Governance and Council governance (Contract Standing Orders etc.)
- Recording OJEU notices
- Procurement compliance in the use of frameworks, and collaborative procurement
- Management Information and Analysis
- Maintenance of contracts register – as part of forward plan

Spend analysis - in accordance with the Local Government transparency Act 2015

Procurement Management Information

- To receive and act upon procurement legislation advice / best practice
- Procurement procedure and process advice
- Commercial aspects
- Consider procurement options (e.g. Collaboration Frameworks etc.)

To ensure Directorates carry out the following aspects of good procurement/commissioning

- Market research and market knowledge
- Use of electronic tendering including adequate support, development and training
- Contract management techniques
- Challenge of traditional practice
- Challenge of off-contract or maverick spend
- To tackle procurement governance and process non-compliance matters
- Ensure opportunities for collaboration are explored
- Supplier management.

The role of the policy, performance and governance team will, in essence, be to develop strategy, governance, guidance, compliance, consistency and cost effectiveness across the procurement activity of the Council. The leadership team, with the support of the policy, performance and governance team, will challenge directorates regarding procurement actions (or lack of) including off contract spend and non-compliances.

Equalities Impact Assessment

Aims

The aim of this strategy is to set out how procurement will be undertaken by all Services, the specific procurement policies and guidance to be observed and the process for oversight, ensuring compliance with the Public Contracts Regulations, the Councils own governance, consistency and challenging the rationale of commissioning and procurement projects.

1. Is this a new policy/service or a review of an existing policy/service?
2. What are the aims/purpose of the policy/service?
3. Whose needs is the policy/service designed to meet? (Include detail of positive impacts on any specific groups e.g. older people, disabled people etc.)

The strategy covers all procurement within the Council so the document is to inform, in particular, officers and senior management team members.

EVIDENCE

4. What equality-related information, for example through consultation with stakeholders, has been gathered on this policy/service? (Indicate the type of information gathered and ensure you address ethnicity, disability, gender, age, religion and sexual orientation). Attach a summary or refer to where the evidence is held.

(This is largely an internal document.)

IDENTIFIED IMPACTS

5. In what ways might the policy/service impact negatively on some groups of people? (Please ensure you address ethnicity, disability, gender, age, religion and sexual orientation. If appropriate, you may also need to address social class and with people caring responsibilities).

The whole basis of the Public Contracts Regulations is that procurement must be non-discriminatory.

There are therefore no identified negative impacts identified.

ACTIONS AND PUBLICATION

6. What action needs to be taken as a result of this EIA to address any negative impacts or meet previously unidentified needs? None.

7. How will you evaluate the impact of the actions being taken? [Include date when this EIA will be reviewed]

No actions are indicated.

8. Please confirm how this impact assessment is being published.

This assessment will form an appendix to the Procurement Strategy.

Signed-off by the Head of Corporate Governance

Audited revenue spend by headline (2015/16)

Note: Directly employed staff costs are not included in the figures given below.

Spend area	£
Agency Staff	1,349,682
Premises related	3,389,278
Transport related	1,154,412
Supplies and Services; (Inc. £1,792,617 temporary accommodation)	7,923,671
Third party payments	543,873
Indirect employee	92,115
Total	14,453,031

The above is revenue spend only, there are separate budgets for capital which will need to be separately analysed.

Construction costs are usually capital expenditure which would be included under capital expenditure.

Procurement Strategy

The following details are given to enable you to contact us if you have any questions or comments about our strategy:

E-mail: contactus@epsom-ewell.gov.uk Phone: 01372 732224

Website: www.epsom-ewell.gov.uk

Reference points:

Communities and Local Government
www.communities.gov.uk

Local Government Association
www.lga.gov.uk

Local Government Transparency Act 2014
<http://www.local.gov.uk/practitioners-guides-to-publishing-data>

The Public Contract Regulations 2015

Link also for requirements applied for tenders not covered by the above
<https://www.gov.uk/guidance/public-sector-procurement-policy>

Social Value Act & 2015 Review
<https://www.gov.uk/government/publications/social-value-act-information-and-resources/social-value-act-information-and-resources>

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/403748/Social_Value_Act_review_report_150212.pdf

Localism Act 2011
<http://www.local.gov.uk/localism/localism-act>

Equality Act 2010
<https://www.gov.uk/guidance/equality-act-2010-guidance>

DCLG best value guidance
<https://www.gov.uk/government/publications/revised-best-value-statutory-guidance>

Organised Crime Procurement Pilot Report
Joint report of DCLG and Home Office

EEBC internal documents referenced:

Medium Term Financial Strategy 2016 – 2020

Contract Standing Orders

Economic Development Strategy