



Cyngor Bwrdeistref Sirol  
**MERTHYR TYDFIL**  
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County Borough Council



# Procurement Policy & Strategy 2019 – 2022

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## Foreword

This Procurement strategy has been revised during a prolonged period of financial restraint with many challenges facing Local Government. Reduced public spending, an ageing population, rising public expectations and other social changes all increase the demand for services, with high expectations placed on what Procurement can deliver. In the context of severe reductions in Government funding, Merthyr Tydfil County Borough Council's procurement strategy is designed to help provide the best possible services and value for money.

There are strict guidelines and legal requirements set out by Europe, Westminster & Welsh Governments in the way the providers of goods, services and works to Merthyr Tydfil are chosen. This strategy addresses all elements of procurement policy and activity.

The procurement strategy is central to affirming Merthyr Tydfil County Borough Council as a progressive Local Authority which uses its allocation of resources to provide quality services in accordance to its principles of fairness, ethics, probity and transparency. It has a potential influence on the way our suppliers adhere to these principles and it is a tool in advancing them amongst the local community we serve and represent.

The Procurement strategy will promote the development of local supply and strengthening the local economy through the application of effective procurement processes.

This strategy will be guided by the Wellbeing of Future Generations Act where we will seek to promote the benefits of good procurement as a strategic tool to assist the delivery of our Wellbeing Objectives and the focus on the future and adhering to the sustainable development ways of working.

Councillor Andrew Barry

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# 1 Procurement Policy

Merthyr Tydfil County Borough Council's ("the Council") Procurement Policy promotes effective and sustainable procurement throughout the Council. Good procurement is critical to obtaining real improvements in service cost and quality. It provides the ability to manage resources to best effect and to apply them where they are needed.

It is therefore our policy to:

- ensure that our procurement practices are transparent and comply with our Constitution, our Financial Regulations and Legislative requirements. There will always be accountability and a clear separation of duties;
- undertake due diligence in all procurement matters. We recognise the need to operate to a high standard of care in all transactions;
- require all staff involved in procurement to work in accordance with this Procurement Strategy, Financial and Procurement Rules and to ensure accountability for 3<sup>rd</sup> party spend is shared between departments and corporate procurement;
- foster a professional procurement attitude. Procurement will be undertaken to the highest ethical standards, promoting equality and fair treatment whilst using a level of commercial expertise commensurate with the principles of cost avoidance, cost containment and cost reduction;
- maintain a robust procurement infrastructure that makes best use of modern technology and resources;
- collaborate with others to maximise procurement leverage and widen the scope for innovative service delivery;
- base procurement upon the principles of best value and on measurable and effective outcomes;
- at all times seek to identify opportunities for service improvement, innovation, looking for value for money and promoting competition; and
- stimulate the local economy and promote the attainment of social and environmental benefits through the procurement process.

## 2 Introduction - Putting the Strategy into Context

### 2.1 Introduction

The Council cannot deliver and meet all of the needs of the citizens of Merthyr Tydfil on its own. Amongst others it is dependent on third party suppliers to enable it to do so. The Council spends around £70 million with third parties for the provision of services, goods and capital projects. All departments of the Council are dependent on these inputs to support their activities and enable them to realise the outcomes that have been identified and meet the needs of the people of Merthyr Tydfil.

However it is not sufficient to merely obtain these resources, we must do so in the most optimal way, procuring the right resources whilst obtaining real value for money and realising wider economic, social and environmental benefits. To achieve this we need to approach the way we spend money in a more controlled and managed fashion. An ad-hoc approach is not acceptable and will not deliver the outcomes we need from our relations with suppliers to run an efficient economic and effective Council, hence the need for a Procurement Strategy.

Support for and recognition that Procurement is a strategic activity that can positively contribute to the delivery of the Council's wellbeing objectives, economic development and efficiencies will be critical to the delivery of this strategy. It will therefore require strong corporate leadership and commitment at all levels throughout the Council to help ensure that good Procurement practice is applied consistently throughout the organisation.

### 2.2 The Strategy

The purpose of the strategy is to set out the vision for delivering procurement activity throughout the Council. It is intended to provide guidance to those officers procuring and commissioning services, goods and capital projects on behalf of the Council helping them to understand how procurement impacts on their role and objectives and what they can do to obtain real value through the procurements they are involved in and in conjunction with the third party organisations they deal with.

Welsh Government's Procurement definition is:

*"the 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 also to society and the economy, whilst minimising damage to the environment".*

However, it is more than just buying things. It involves the entire supply chain, from identification of need to award of contract, payment and contract management. This can be classified as the commercial business operations of the Council.

The Council spends a large proportion of its resources on procurement of 3<sup>rd</sup> party goods, services and works. We have a duty to undertake good governance, delivering services to clear standards of cost and quality and by the most economic, efficient and effective means possible.

In 2015, Welsh Government published a Welsh Procurement Policy Statement setting out the Principles of Welsh Public Procurement Policy

The policy established 10 principles.

<b>Strategic</b>	Procurement should be recognised and managed as a strategic corporate function that organises and understands expenditure; influencing early planning and service design and involved in decision making to support delivery of overarching objectives.
<b>Professionally resourced</b>	Procurement expenditure should be subject to an appropriate level of professional involvement and influence, adopting the initial benchmark of a minimum of one procurement professional per £10m of expenditure across the wider public sector
<b>Economic, Social and Environmental Impact</b>	Value for Money should be considered as the optimum combination of whole-of-life costs in terms of not only generating efficiency savings and good quality outcomes for the organisation, but also benefit to society, the economy, and the environment, both now and in the future.
<b>Community Benefits</b>	Delivery of social, economic and environmental benefit through effective application of Community Benefits policy must be an integral consideration in procurement.
<b>Open, accessible competition</b>	Public bodies should adopt risk based, proportionate approaches to procurement to ensure that contract opportunities are open to all and smaller, local suppliers are not precluded from winning contracts individually, as consortia, or through roles within the supply chain.
<b>Simplified Standard Processes</b>	Procurement processes should be open and transparent and based on standard approaches and use of common systems that appropriately minimise complexity, cost, timescales and requirements for suppliers
<b>Collaboration</b>	Areas of common expenditure should be addressed collectively using standardised approaches and specifications managed by the National Procurement Service (“NPS”) to reduce duplication, to get the best response from the market, to embed the principles of this Policy Statement for the benefit of Wales; and to share resources and expertise.
<b>Supplier Engagement and Innovation</b>	Dialogue with suppliers should be improved to help get the best response from the market place, to inform and educate suppliers, and to deliver optimum value for money.
<b>Policy Development and Implementation</b>	Deployment of policy which supports the achievement of the seven well-being goals for Wales as set out in the Well-being of Future Generations (Wales) Act (2015).
<b>Measurement and Impact</b>	In accordance with good management practice, procurement performance and outcomes should be monitored to support continuous improvement, and examples of good and poor practice openly shared.

The Council acknowledges and supports all ten principles.

The Council recognises that it operates in an ever changing procurement landscape that is led by an agenda for improvement. New technology, changing demographics, increasing awareness of sustainability issues, legislative changes and the drive for efficiency (a necessity at a time of severe budgetary pressures) are all transforming the world of public procurement at a rapid pace. These changes create challenges to which the Council must respond; they also offer opportunities from which the Council can benefit.

This Procurement Strategy aims to ensure that procurement planning supports the Council's objectives. It secures commitment to effective procurement from members and officers at all levels and provides a corporate focus in the coordination of procurement activity. It maps out the way forward on reforming and improving our procurement function. It guides us in:

- smarter procurement that is a significant contributor to our efficiency targets;
- promoting the development of local supply chains;
- collaboration with partners and across as well as within sectors;
- sustainability, including it at the heart of our procurement processes; and
- use of new technology and improved procurement tools and techniques.

It recognises the importance of effective procurement in achieving our corporate priorities. It establishes the framework in which all procurement within the Council will be conducted. It is the means by which our Procurement Policy will be achieved.

### **2.3 Aims of the Procurement Strategy**

The aims of the procurement strategy are to;

- Determine the direction of travel and improvement of all procurement activity in the Council in support of front line services and the way we do it.
- Enhance the capability and capacity of procurement across the Council.
- Maintain procurement as a strategic activity within the Council.
- Promote the Council's key procurement policy principles and the way they support delivery of the Focus on the Future Plan and service delivery.
- Deliver value for money and realise all obtainable benefits through the application of effective procurement and management of third party suppliers.
- Promote economic development by improving local SME spend.
- Confirm good procurement as a vehicle of change.

### **2.4 Delivering the Procurement Strategy**

The Corporate Procurement Team will:

- Take a lead role in improving procurement standards across the Council. The Council has a shared responsibility to act in accordance with the Procurement Rules. Procurement Rules are designed to minimise inefficient sourcing practices and protect Buyers of the Council against potential legal challenges. Corporate Procurement will at specified intervals update the Procurement Rules and related processes and communicate improvements and changes Council wide.



- Continue to develop internal departments to ensure accountability for spend is understood. This will include upskilling staff to complete Gateway Reports, assistance on specification writing, creating evaluation criteria and evaluation of projects.
- Reduce the administrative burden associated with the procurement cycle and maximise efficient processes where possible. Standard procurement documents will be produced and maintained to provide structure and consistency in the Council's approach to the market.
- Consistently review spend against Contracts and ensure the Contract Register is up to date. Contractual spend under tender thresholds will be reported to Procurement and recorded in the Contract Register and reported to Cabinet on a frequent basis.
- be responsible for raising procurement awareness of key issues, case Law and obligations, including sustainability and equality. The Team will advise on value thresholds, give guidance on regulatory and policy issues, promote good practice and act as a useful aide to Council Financial Procedures and Procurement Rules.
- Continually develop and monitor the forward work plan to ensure that sufficient resources are allocated to strategic and operational procurement requirements across the Council.

## 3 Compliance with National Legislation and Local Plans

The success of this strategy will only be successful if it takes note of and complies with a wide range of legislation and other policies the most notable of which are

### 3.1 National Legislation

This strategy will demonstrate and ensure compliance with national legislation in particular with regard to procurement, the Wellbeing of Future Generation (Wales) Act 2015, the Public Contract Regulations 2015 (EU Procurement Directive 2014/24/EU), The Modern Slavery Act 2015 and other legislation which determines our approach to delivering specific services e.g. Social Services and Well-being (Wales) Act 2014. In addition we will use other legislative requirements such as the Equalities Act to add value to our procurement activities as well as being compliant with them. A plethora of legislation impacts on the procurement across the Council and we will encourage departments to address this as part of their Contracting and Commissioning activities.

### 3.2 The Council's 'Focus on the Future' Wellbeing Objectives and the 5 ways of working

The Well-being of Future Generations (Wales) Act 2015 ("the Act") aims to improve the social, economic, environmental and cultural well-being of Wales. It requires the Council to "act in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs".

The Act introduces five ways of working which need to be embedded in how organisations work if they are to successfully promote sustainable development.

The five ways of working are:

- looking to the long term;
- taking an integrated approach;
- involving people;
- working in a collaborative way; and
- understanding the root causes of issues and preventing them.

These ways of working are evident throughout this Policy and Strategy, which forms part of the Council's approach to integrated planning, ensuring that we are maximising our contribution to the Act's seven national well-being goals.

The seven goals are:

- a globally responsible Wales;
- a prosperous Wales;
- a resilient Wales;
- a healthier Wales;
- a more equal Wales;
- a Wales of cohesive communities; and
- a Wales of vibrant culture and thriving Welsh language.

The Council's Corporate Plan known as the 'Focus On The Future' sets out the Council's shared vision for Merthyr Tydfil - to strengthen Merthyr Tydfil's position as the regional centre for the heads of the valleys and be a place to be proud of where:

- People learn and develop skills to fulfil their ambitions
- People live, work, have a safe, healthy and fulfilled life, and
- People visit, enjoy and return

The Council has four Well-being themes which it wants to deliver for its citizens. Each theme has objectives and a series of service area priorities and key projects that will help to deliver the outcome. This Policy and Strategy will support the delivery of these objectives, which are:

Best Start to Life	
Objective	Children, have a positive early experience to ensure they are ready to learn, ready for school and can develop the knowledge skills and attributes they will need to flourish in life, learning and work
Working Life	
Objective	People live in safe, well-connected communities where heritage, language and culture are valued and strengthened for future generations. Highly skilled and qualified people are equipped to meet the changing needs of employers. The developing infrastructure sustains and improves both the built and natural environment.
Environmental Wellbeing	
Objective	People, proud of the area's outstanding landscape, regularly spend time outdoors in good quality, accessible greenspace. Communities help improve their local areas, learning new skills, building strong social bonds and helping wildlife flourish
Living Well	
Objective	People who are empowered to live independently within their communities, have the appropriate support, advice and assistance to meet their personal needs, live safely and access opportunities available to them. People, adopting health behaviours earlier in their life, are healthier, feel good and function well.

The Plan details the activities (Service Area Priorities) the Council will undertake to ensure the best possible outcome for our citizens and communities and how we will work with partners and the local community to deliver these outcomes and our four well-being objectives. It has been developed alongside the Council's Medium Term Financial Plan and takes account of likely future funding and a wide range of information regarding the needs of the local population and demand for services.

The Procurement Strategy describes how procurement will support these objectives and service area priorities under each objective. It shows that the Council has established good governance of the procurement function through Procurement Board linking each individual procurement project with our wellbeing objectives.

### 3.3 Relationship to other strategies, policies and plans

The procurement strategy also links to and supports other strategies, policies and plans within the Council and those imposed by external relationships. These can be found throughout the document.

This will enable procurement to be carried out through a systematic procurement plan which will provide many advantages as we try to obtain resources throughout our numerous supply chains.

Implementation of innovative and effective approaches to Procurement cannot happen without the commitment and support of our stakeholders at all levels throughout the Council and the support of collaborative partner organisations and suppliers.

### **3.4 Welsh Policy and Plans**

The Council will ensure that policies and plans that are published by Welsh Government are incorporated into relevant procurement workstreams.

## 4 Governance

### 4.1 Structure

The Council should recognise the strategic importance of procurement. It is a core competency that affects all aspects of the Council. Approximately half of all Council revenue and capital is spent on external goods, services and works. The Council must recognise the need to continuously improve this activity across the Council and not just within the central procurement team, consequently the drive for improvement within the procurement activity will be owned and led by Council Cabinet, Corporate Management and Procurement Board and delivered by officers across the Council. In recognition of this, the Procurement Strategy promotes application of the logic and principles advocated by Welsh Government's stated Principles of the Wales Procurement Policy Statement and aims to establish a mechanism and culture within which innovative and value added procurement takes place.

Senior managers will promote the Council's Procurement Policy and Strategy and sponsor procurement initiatives. They play a strategic role in ensuring adherence to Financial Regulations and Procurement Rules thereby working towards achieving the Corporate Plan.

Procurement will continue to support the business change and Wellbeing processes through attendance and challenge at the Change and Wellbeing Steering Group.

#### Procurement Board

Procurement Board is established to provide oversight and support to all procurement activity above tender thresholds. Effective management of the procurement cycle is expected by all departments across the Council, this strategy aims to support the cycle from identification of need through to award and contract management.

The terms of reference for procurement board will be regularly reviewed to ensure that Procurement board is a value added activity in the procurement cycle.

The procurement team will support all Council Departments and their officers in their procurement and transactional activities; it will act in an advisory, enabling and practical role to ensure an effective and consistent approach across the Council.

### 4.2 Accountability and Reporting

The procurement function will reside within the finance department and will be accountable to the Head of Finance, the management lead who will be supported by the professionally qualified Procurement Manager and the procurement team. Political responsibility will lie with the Portfolio member for Governance and Corporate Services.

Regular reporting of procurement activity will be made to Procurement Board and cabinet on at least a quarterly basis. Reporting will highlight corporate procurement activity and provide a method of accountability to portfolio holders.

### 4.3 Communications and information

The procurement function will develop an appropriate communication plan to ensure all stakeholders are informed and engaged with as necessary. A flow of good information around the procurement cycle is critical to effective procurement and the achievement of value for money.

Communication plans will include appropriate information flows to elected members to help them make informed decisions about strategic and critical procurement activities. Additional relevant information can also be found in the Procurement Guide on the Intranet.

The Procurement Department will take responsibility for the retention and control of Contracts to ensure transparency of the full procurement process.

Information will be provided to the marketplace in a clear and transparent fashion complying with Freedom of Information and Public Contract Regulations requirements and the WPPS strategies.

#### **4.4 Ethics**

In order to maintain the Council's reputation, all procurement activity will be undertaken to the highest standards of probity and professionalism. Members and officers will be fair and ethical and will avoid conduct that may contradict this or suggest a conflict of interest.

Council approved the sign-up to the Code of Practice – Ethical employment in supply chains in September 2018. Procurement will contribute to the working group seeking to consider, and deliver on the 12 commitments of the Code during the period of this Strategy.

The Council will consider relevant social issues at the design stage of procurement and consider a supplier's track history in human rights and discrimination legislation.

The Council recognises that modern slavery is a serious crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain. The Council has zero tolerance for slavery and human trafficking. We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. We will therefore use our best endeavours to:

- identify and assess potential risk areas in our supply chains;
- mitigate the risk of slavery and human trafficking occurring in our supply chains;
- monitor potential risk areas in our supply chains; and
- protect whistle blowers.

The Council acknowledges its duty to notify the Secretary of State of suspected victims of slavery or human trafficking, as introduced by section 52 of the Modern Slavery Act 2015. We also commit to working to ensure that our supply chains are free from slavery and human trafficking.

All potential suppliers will be questioned at pre-qualification/selection stage about compliance with section 54 of the Modern Slavery Act 2015, and required to demonstrate due diligence and intellectual rigour to prevent slavery within their own supply chains. The Council will not contract with any organisation that breaches the Modern Slavery Act 2015.

In addition to legislative requirements, the Council regards ethical and responsible procurement as an economic and reputational imperative. We will use our best endeavours to enshrine an ethical standard into our procurement processes. We are committed to ensuring a high standard of ethical

trade practices across our procurement activities and therefore expect our suppliers to observe these requirements and to demonstrate a similar commitment in their own businesses.

## 5 Processes

### 5.1 Purpose & Aim of Procurement Processes

The aim of an effective set of procurement processes is to deliver the right resources to the right place at the right time and to the right people whilst delivering value for money which the Council is required to demonstrate. Underpinning everything the Council does is the need to be efficient. If we want to continue to deliver good quality services and to improve upon what is done, then efficiency has to be at the heart of procurement activity. This must reduce the cost of goods and services through better procurement to help achieve a significant reduction in revenue costs to support the Council's corporate efficiency targets.

As a minimum, the Council aims to pay less for the same and to pay the same for more whilst balancing this against the need to buy local. The requirement to improve and to achieve efficiency savings is an integral part of procurement activity. To that end we will continue to develop efficient approaches to the procurement process, at the same time maintaining a standard, open and transparent approach to the way we apply them. We will also adopt a wider approach to the way we procure, adopting a whole life cost approach to the procuring of our resources and our aim to secure value for money.

### 5.2 Strategic Sourcing

A sharper approach to strategic sourcing will further ensure we make the right choices when making our procurement decisions in terms of satisfying business needs from our markets via the proactive and planned analysis of them and the suppliers therein. Developing sourcing strategy/procurement gateways for major procurements will deliver far better outcomes than the normal reactive approach to sourcing. The procurement function will continue to work closely with departments to develop this approach.

### 5.3 Market Management

In line with a sourcing strategy we need to determine how best we will continue to work within the markets in which we operate and to comply with the principles of the WPPS that address markets, namely those of open accessible competition, simplified standards and processes, supplier engagement /innovation and collaboration. We need to better understand the mechanisms that impact on markets and subsequently on our ability to deliver value for money services. We also need to consider the relationships we develop within each of the markets we operate.

### 5.4 Spend Management

Critical to the continuity of this procurement strategy will be our ability to know and understand what we really spend and why we spend in the way we do. The procurement function will support departments in understanding this information and the actions required in response to the data gathered e.g. opportunities for collaboration and aggregation, internally and externally, cost savings, cashable efficiencies and changes in the approach to markets. Procurement will help determine the most effective efficient and economical way of achieving this including consideration of in-house provision and use of existing internal and collaborative arrangements.

### 5.5 Contract and Risk Management



Councils have often been accused of letting and forgetting when it comes to Contract management and yet is probably the most crucial stage of the procurement cycle, it's the point at which goods services or works are actually delivered. To that end we will endeavour to enforce an effective and efficient approach to Contract management ensuring compliance, effective supplier relationships and performance management. We will also maintain a positive proactive approach to risk management through gateway reporting and continuous improvement minimising disruption to Council services whilst embracing positive change and improvements to service delivery.

## **5.6 Whole Life Costing (WLC)**

The changes in the Public Contract regulations and the WPPS highlight the need and reasons for adopting a whole life costing approach to procurement making us ask the question 'what is the real cost of this resource' rather than 'what is the cheapest price we can buy it for'. The emphasis on MEAT (most economically advantageous tender) within the EU procurement directive requires the Council to address WLC and the lifespan of procurement arrangements. The Council will continue to build these principles into its procurement projects.

## 6 Collaborative Sourcing

### 6.1 Purpose & Aim

One of the most significant opportunities that exists is collaboration within and across sectors. This method of working enables better use of scarce procurement resources and skills, aggregation of spend to create greater purchasing power, a more adept and less complex link with suppliers and spread of best practice, including the sharing of market intelligence. Properly researched collaborative procurement can maximise purchasing power and offer significant cost and efficiency savings.

The Council will work with others and through consortia to share resources and maximise our purchasing power to achieve savings.

The Council may join with other Councils where appropriate to gain economies of scale and associated benefits.

The Council will make use of local and national frameworks and foster Council wide awareness of collaborative arrangements, ensuring that we make best use of them where there is a palpable benefit.

The Council will also review our relationships with consortia to set rules governing performance standards and to ensure that we are receiving optimum benefit.

The Council aims to strengthen links with others and explore further economies of scale, innovation and best practice. Partnership arrangements will be encouraged where they are more likely to ensure delivery of the best and continuously improving services than traditional procurement methods.

### 6.2 Collaborative Bodies

The Council will continue to engage with collaborative bodies and take advantage of collaborative arrangements where they represent best value for the Council.

We will also continue support regional collaboration with other public bodies and partners within the public sector. Other Central Procurement Bodies and Consortium exist across the UK notably Crown Commercial Services and PRO5 which embraces the main consortia within England such as the Eastern Shires Purchasing Organisation (ESPO). The Council will continue to look at the opportunities for improved procurement solutions through these bodies as provided for under the EU directives.

### 6.3 Process and Compliance

The Council will adopt a common approach to collaboration across the Council by

- Analysing and aggregating spend
- Standardising documentation and specifications to conform with other bodies
- Actively participating in joint working and knowledge sharing activities
- Consider opportunities for further collaboration
- Monitor and report on all collaborative activities

The procurement function will actively work with other departments in ensuring compliance where the Council has agreed to participate in collaborative arrangements to ensure we obtain the benefits of such activities.

## 7 E Procurement and Technology

### 7.1 e-Procurement and Technology Strategy

The goal is to embrace modern technology and use it to improve our services and achieve our corporate goals. E-procurement is more than just automating the purchase order and invoice payment process. It is about making the best use of technology to improve the effectiveness of the entire supply chain.

The Council has embedded a number of nationally available procurement tools that have been provided by Welsh Government. The Council will continue to make best use of those tools whilst central funding is provided to the wider public sector.

The Council will continue to maintain efficient e-procurement systems and processes to ensure access to our Contracts by the business community is made as easy as possible.

The Council will continue to develop e-Purchasing processes and where appropriate, make use of e-catalogues to minimise key purchasing process steps.

### 7.2 Current practice

We currently make use of;

- Jaggaer e-tendering platform
- Sell2Wales
- Basware Purchase to Pay (including e-invoicing)
- Basware Marketplace
- Welsh Purchasing Card
- Atamis Spend Analysis
- Dunn and Bradstreet Portfolio Management (credit checking)

The corporate procurement team have made a 100% commitment to the use of these tools which are mostly provided by Welsh Government. Over the course of this strategy, it is the intention to devolve some of the e-tendering administration to relevant departments to enable them to self-serve by way of deployment of developed standardised templates.

### 7.3 Adoption of new tools

The Council will endeavour to make wider use of existing tools such as e-auctions and electronic Dynamic Purchasing Systems. We will explore the use of other e-procurement tools such as Contract management (e-Vendor Relationship Management) and payment tools and work closely with Welsh Government to ensure we are in a position to adopt new tools under development and any other new innovations as and when they become available.

### 7.4 Improvements in Technology

E procurement does not have a monopoly on technological improvements. There are many other advances through technology being made in most of the markets from which we obtain the Council's requirements e.g. production processes, communication methods and innovative supply solutions.

We will ensure that our procurement activities attempt to capture these improvements to include in our tender specifications and to provide for continuous technological improvements throughout the lifespan of our Contract and Commissioning arrangements.

## 8 Community Benefits, Sustainability and Equality

### 8.1 Purpose & Aim

The Council will continue to support the Welsh Government's Community Benefits and wider Economic, Social and Environmental Impact policies. We will apply a community benefits approach to all procurement and use the CB measurement tool to all Contracts over £1 million and selected procurements below this figure. We will also look for opportunities afforded through the Well-being of Future Generations (Wales) Act 2015.

We will incorporate community benefits as core requirements where they can be demonstrated to be related to the subject matter of the Contract particularly in the areas of economic development, employment and training, education, environmental and social issues.

### 8.2 Working within the local economy

Strengthening the local economy is fundamental to Council policy and can be supported considerably by following a procurement strategy that develops a strong link to the local supply base, creating better access to our Contracts and procurement opportunities for local SMEs and other organisations such as social enterprises and sheltered workshops.

Economic regeneration is an important area of the Council's Wellbeing Plan with respect to Working Life, and supporting local business is an important element of that. The Council believes that SMEs working within their own communities generate employment and wealth that is more likely to be retained locally.

The Council will not assume that larger suppliers always offer better value for money. Where appropriate and within legislative parameters, the Council will package contracts in a flexible manner that encourages local businesses and SMEs to bid for work. We will keep our tendering process as simple as possible to minimise costs for potential bidders.

In addition, by establishing a clear process and pro-active approach to Community Benefits within the procurement process, this will not only deliver social and economic benefits but also commercial gain to the Council, the Community & the local supply chain.

### 8.3 Sustainability

Sustainability is about more than environmental issues. It is about developing ways to balance social progress that recognises everyone's needs. It is about effective protection of the environment, prudent use of natural resources and maintaining high and stable levels of economic growth. It is about using best endeavours to enshrine an ethical standard into the Council's procurement processes. It is about promoting economic, environmental, cultural and social well-being as detailed throughout this Policy and Strategy and thinking about how the actions and decisions we take today will affect future generations and contribute to the sustainability of Council services.

Public procurement can be used as a lever to achieve our well-being objectives. By embedding sustainability into the procurement process the Council will take a lead in sustainable development. Procurement decisions will ensure that regardless of what is bought, the local environment can be safeguarded and also avoid adverse environmental impacts in the supply chain. When purchasing, the Council will make more efficient use of public resources. The Council will strive to meet the

challenge of safeguarding and improving both the environment and quality of life without compromising economic growth whilst recognising the potential conflicting tensions that each may have.

Sustainability implications will be considered for all Council procurement. Officers will ensure that suppliers take full account of sustainability issues when providing the Council with goods, services and works. The Council will determine Best Value as the optimum combination of whole life costs and benefits to meet specified requirements. When considering expensive power consuming goods a lifetime cost analysis should also be undertaken in accordance with the Council's stance on carbon management.

Our procurement decisions will take a variety of issues into account, ranging from opportunities to support small businesses to equal opportunities, modern slavery and the local economy. The focus of procurement throughout the life of this Strategy will be to increase local wealth whilst balancing this against unit prices, by committing as much spend locally as possible, as permitted within the legal framework for Procurement.

#### **8.4 Equalities**

There is a mandatory requirement on the Council to meet its duty under the Equality Act 2010 and to require its suppliers to do so too. However, a better reason for doing so is that it actually helps deliver the policy objective of the Council. Through applying it to procurement activity it delivers greater value for money and higher quality services for instance by ensuring delivery to the right protected groups and creating greater supplier diversity. Through our procurement strategy we will endeavour to deliver both compliance and value.

Public bodies have a duty to serve the entire community in which they are located. The Council recognises the Equality Act 2010, the Public Service Equality Duty and the specific duties for Wales; all provide the legal framework for managing equality in procurement and securing positive outcomes that promote equal opportunity and fairness within the Council's services.

When undertaking procurement, the Council will adhere to three duties that require it to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct that is prohibited by the Act;
- advance equality of opportunity between people who share a relevant protected characteristic and those who do not; and
- foster good relations between people who share a protected characteristic and those who do not.

When undertaking procurement regulated by the Public Service Directives, the Council will have due regard to:

- whether it would be appropriate for the award criteria for that contract to include considerations to help meet the general duty; and
- whether it would be appropriate to stipulate conditions relating to the performance of the contract to help meet the three aims of the general duty.

The Council is committed to equality of opportunity for all in service delivery and the way in which it operates as an organisation. When undertaking any procurement, it will give due consideration to its corporate policies, such as the Equality Policy, the Strategic Equality Plan 2016-2020 and the Welsh Language Standards Action Plan. These policies and plans help to make employment and services

more accessible and the Council expects organisations with whom it conducts business to support these policies and plans.

The Council will where possible, aim to embed best practice in its own procurement processes and those of its supply chain for the nine protected characteristics of age, disability, gender reassignment, race, religion or belief, sex, sexual orientation, marriage and civil partnership and pregnancy and maternity

We will also assess the impact of our activities and consider what action, within legislative parameters, we can take to promote equality in procurement through using supported businesses. Public procurement legislation permits public bodies to use procurement to actively champion supported businesses and sheltered workshops and work programmes. In a supported business, at least 30% of employees are registered disabled. Supported businesses are an important part of the drive to help disabled people integrate into the workplace, increasing independence, and promoting health and wellbeing. When undertaking procurement, therefore, the Council will consider opportunities to use supported businesses. Where contracts are too large or complex to be performed by a supported business alone, the Council will advise potential bidders of its aims to encourage such businesses and prompt them to use a supported business as a subcontractor or partner.

## **8.5 Welsh Language**

The Council promotes the use of the Welsh language to meet our duties under the Welsh Language Act 1993 and the Welsh Language (Wales) Measure 2011.

We aim to publish national advertisements placed on Sell2Wales in Welsh as well as English, and the Council will continue to use both Welsh and English mediums in its interaction with its customers and its contractors in accordance with current legislation.



## 9 People

### 9.1 Purpose & Aim

We aim to continue the development of staff across the Council in terms of acquiring better Procurement knowledge, general commercial skills and awareness of the relevant rules and regulations. It is vital with so many officers now involved in some form of procurement activity that improvements are made in this area. It is also essential that staff focus resource on activities that add value and not cost.

### 9.2 Capability and capacity

With the growth of procurement, commissioning and other commercial activities across the Council, we need to raise both the capability of our staff and the capacity we have to deal with this activity. The procurement team can provide guidance, develop processes and develop a standardised approach to procurement. However much procurement activity e.g. Contract management will be carried out by departments some who have considerable experience but some operating in very immature markets which are often the most difficult to manage e.g. social care. We will need to find ways of building the necessary capability and capacity to deliver these requirements.

### 9.3 Training & Development Support

We are tasked by Welsh Government policy to ensure we develop adequate skills and resources to deliver procurement effectively.

Opportunities will be given to officers willing to attend short specialist courses where available.

We will investigate other methods of developing skills, for example, by the use of internal webinars or other electronic means of on line training.