

# Procurement strategy

## Contents

1.	Introduction	2
2.	Purpose	2
3.	Responsibilities	3
4.	Procurement objectives	3
5.	Local Government Pledge	4
6.	Procurement principles	5
7.	Best value	6
8.	The procurement process	7
9.	Good practice	7
10.	Competition	9
11.	Social value and “green” procurement	9
12.	In-house and outsourced services	11
13.	Contract management	11
14.	National Procurement Strategy for Local Government in England	12
15.	Review	12

# 1. Introduction

- 1.1. “Procurement” can be defined as the process of acquiring goods, materials, works or services. Procurement encompasses acquisitions from both third parties and “in-house” providers. The process of procurement includes the whole cycle of purchasing, from the initial identification of needs and options appraisal (including the “make or buy” decision), through to the ultimate end of a services contract or the end of the useful life of an asset.
- 1.2. The Broads Authority is committed to procuring cost effective and quality goods and services, which will in turn support the achievement of the Authority’s overall strategic and operational aims and objectives. The Authority subscribes to the key principles of the Local Government Procurement Pledge as set out within this Strategy.
- 1.3. The Authority’s procurement activities take place in the context of a complex framework of European Union directives and UK procurement regulations, alongside a range of other statutory and regulatory guidance. The Public Contracts Regulations 2015 implement into UK law the European Union Consolidated Directive on public procurement (2014/24/EU). These regulations are due to be replaced with The Procurement Bill in 2024.

# 2. Purpose

- 2.1. The purpose of this Procurement Strategy is:
  - to set out how the Authority’s procurement activities comply with legislative and regulatory requirements.
  - to promote the acquisition and delivery of supplies and services by the most appropriate procurement route, thereby ensuring that value for money<sup>1</sup> and quality are always obtained.
  - to define a clear corporate framework for procurement, which complements and aligns with the Authority’s Financial Regulations and Standing Orders Relating to Contracts.
  - to ensure that all procurement by the Authority is carried out in a sustainable and responsible manner to maximise the economic, social, and environmental benefits.

---

<sup>1</sup> Value for money is defined as “the best mix of quality and effectiveness for the least outlay over the period of use of the goods or services bought.”

### 3. Responsibilities

- 3.1. Overall responsibility for the implementation of this Strategy lies with the Management Team, who will ensure that all procurement decisions are taken in accordance with the principles and best practice guidelines set out in this Strategy. All Broads Authority officers must have regard to this Strategy when undertaking any procurement activity.
- 3.2. The Authority does not have a Procurement Officer; advice about procurement procedural issues should in the first instance be sought from the Finance Team. Legal advice may be required in the case of a more complex procurement. The Director of Finance must be consulted about the procedure to be applied in the event of any procurement which is over the Find a Tender Service (FTS) threshold (details of current thresholds are set out in the Standing Orders Relating to Contracts).
- 3.3. The Authority's Carbon Reduction Project Manager can provide advice on environmental impact issues when determining criteria for tendering procedures.

### 4. Procurement objectives

- 4.1. The Authority's overriding procurement objectives are:
  - to purchase goods and services from suppliers who will provide value for money.
  - to secure the purchase of goods and services as quickly and efficiently as possible.
  - to procure goods and services which will enable the ultimate provision of quality services to the public.
  - to encourage the purchase of goods and services from suppliers whose policies, practices and products are economically, socially, and environmentally sound.
  - to purchase goods and services from suppliers who comply with the Authority's health and safety standards and requirements.
  - to use local, small, and medium size enterprises and / or voluntary, community and social enterprises where possible, and to encourage such enterprises to bid for the Authority's contracts.
  - to continue working towards e-procurement<sup>2</sup>.

---

<sup>2</sup> E-procurement refers to the use of electronic procurement approaches including online procurement systems, and the electronic receipt of tenders. Where an e-procurement approach is used, the requirement

## 5. Local Government Pledge

5.1. In line with these objectives, the Broads Authority subscribes to the Local Government Association's Procurement Pledge for Local Authorities, which recognises the opportunities provided by procurement to deliver value for money and to support local economies. The Authority will therefore seek to use procurement to help:

- deliver value for public money.
- drive local social and economic growth and regeneration.
- provide inclusive services through a diverse supplier base.

5.2. To deliver these outcomes, to the fullest extent possible within the Authority's available resources, and where it is proportionate and appropriate, the Broads Authority will make efforts to:

- promote and implement procurement processes that are less bureaucratic and burdensome.
- build skills, capacity, and expertise in procurement.
- engage effectively with stakeholders to ensure that the goods and / or services being procured meet their needs and (where appropriate) involve them in the procurement process.
- engage effectively with suppliers through market days, pre-procurement dialogue, and provide transparent feedback, making them aware of trading opportunities and securing their input and expertise.
- use procurement in a socially and environmentally responsible way, promoting fair employment practices (including the Modern Slavery Act 2015), ethical sourcing practices, and environmental sustainability wherever possible.
- seek feedback from suppliers and use this learning to further improve procurement processes.
- promote collaborative working where appropriate to make best use of existing expertise, resources, and to share best practice.

---

remains to comply with Standing Orders, including obtaining competitive quotations where necessary. Guidance from the Finance Team should be sought before undertaking an e-procurement process.

## 6. Procurement principles

6.1. The Authority's guiding principles for procurement are that:

- all procurement should contribute to the strategic and / or operational aims and objectives of the Authority, as set out in the Broads Plan.
- the Authority will apply a consistent, corporate, and collaborative approach to procurement across Directorates.
- the Authority will comply with all (UK and EU) legal requirements and relevant government guidelines in the procurement of goods and services, including regulations set down by Her Majesty's Revenue and Customs (HMRC).
- the Authority will comply with the Public Sector Bodies (Websites and Mobile Applications) Accessibility Regulations (2018). Where the procurement involves the production of a report to be shared online it must meet minimum standards. Further information can be found on the intranet under Accessibility and the Communications team.
- procurement is a long-term process and should include arrangements for effective contract management and review.
- the Authority will encourage collaboration and joint procurement initiatives with other bodies including (where appropriate) local authorities and national park authorities, to deliver best value services and secure value for money and economies of scale.
- the Authority will seek to further adaptation and mitigation to climate change through its purchases and will encourage the procurement of environmentally sound services and products. The Authority will seek to:
  - use recycled paper (with a target that over 80% of paper is made from recycled materials).
  - achieve the lowest practicable power usage of all IT and electrical equipment.
  - use only FSC/PEFC (Pan European Forest Certification) accredited timber where possible
  - Reduce its scope 1, 2 and 3 carbon emissions to meet its climate pledge to be carbon neutral by 2030 and carbon zero by 2040.
- the Authority will seek to use procurement to deliver community benefits, for example by promoting equalities and fair employment practices (including the

Modern Slavery Act 2015), by including social value criteria within tender evaluations where appropriate.

- the Authority will seek to establish evaluation criteria for tenders which give an appropriate weighting to quality, cost, and social and environmental impacts. It is good practice to apply similar criteria to quotations sought for procurements below the tender threshold, where this is practical and appropriate to the goods or services being procured.

6.2. Within the framework of these overarching procurement principles, the Authority will have regard to the principles of Best Value and its own Core Values<sup>3</sup>. The Authority will apply a sound competition policy, which will be designed to provide value for money and to deliver goods and services of the required quality.

## 7. Best value

7.1. The principles of Best Value are based on the achievement of value for money through a combination of economy, efficiency, effectiveness and equity, which are defined in the following terms:

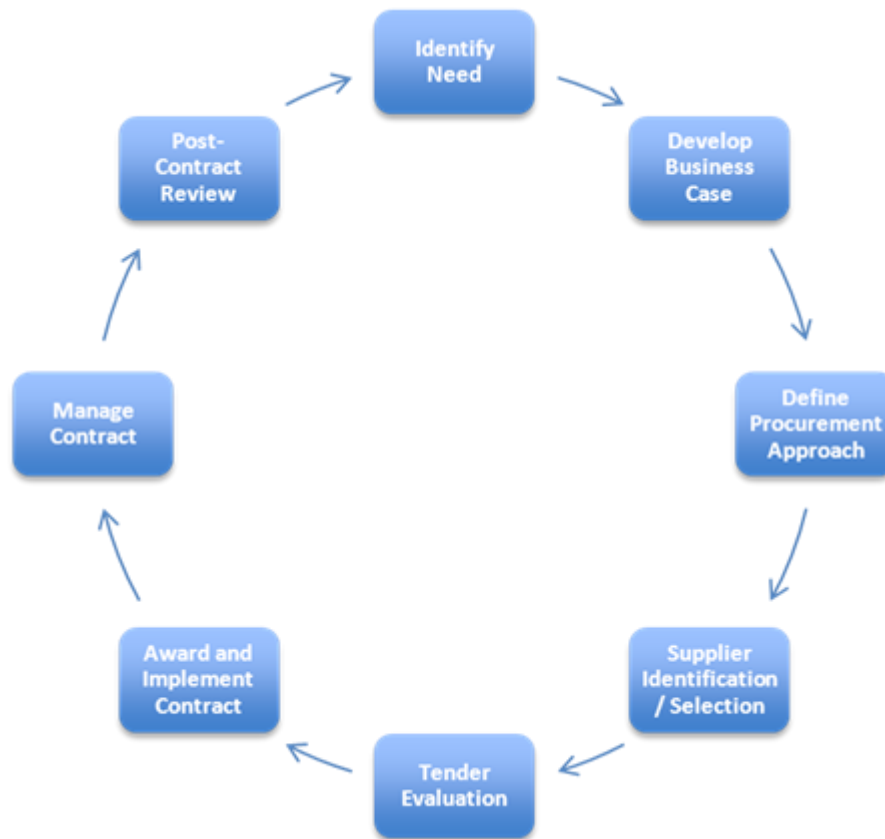
- **Economy:** acquiring human and material resources of the appropriate quality and quantity at the lowest cost.
- **Efficiency:** producing the maximum output for any given set of resource inputs or using the minimum outputs for the required quantity and quality of service provided.
- **Effectiveness:** having the organisation meet the citizens' requirements and having a programme or activity achieve its established goals or intended aims.
- **Equity:** the extent to which the outcomes generated by the authority have been made accessible to all those who could benefit from them.

---

<sup>3</sup> Core Values are important and enduring beliefs or ideals shared by the staff and members of the Broads Authority about what is good or desirable and what is not. They exert a major influence on our behaviour and serve as broad guidelines in all situations. They include commitment, caring, open and honest, sustainable, and exemplary.

## 8. The procurement process

- 8.1. The diagram below sets out the generic steps in the process for a larger procurement.



- 8.2. The procurement process should be seen as a cycle and the importance of the latter stages, including the ongoing management of contracts and post-contract review activities, should not be underestimated.

## 9. Good practice

- 9.1. The Authority seeks to conduct its affairs openly and transparently. All decisions about procurement should therefore be open and justifiable, and based on clear and relevant criteria (whilst having regard to the need to protect the confidentiality of information provided by bodies and individuals completing tenders). All procurement decisions must comply with the Authority's Financial Regulations and Standing Orders Relating to Contracts. The latter provide guidelines in respect of the procedures for preparing evaluation criteria, opening tenders, and letting contracts.
- 9.2. The procurement process is subject to scrutiny by a range of stakeholders, including the Authority's Internal and External Audit functions. It is essential that all stages of

the tendering process are properly recorded, in accordance with Standing Orders Relating to Contracts.

9.3. The Authority has established the following principles of good procurement:

- procurement processes should be designed to give the Authority sufficient information to form a view of the competence of potential service providers and suppliers, but without placing an undue burden on them.
- potential suppliers and service providers should understand clearly from the outset of any procurement what service standards are expected. They should be provided with adequate, accurate and timely information at all the relevant stages of the procurement process.
- all potential suppliers and service providers will be subject to the same requirements to ensure fair competition and will be treated equally throughout the procurement process.
- to promote innovation in service delivery, care should be exercised to avoid taking to narrow a view of how the service might be delivered as this may limit the options and deter potential providers.
- in order to be able to demonstrate that procurement has been undertaken in an open and transparent manner, the Authority will ensure that tenderers for larger contracts (with a value of over £25,000) are fully aware of the basis for bid evaluation and that all stages of the procurement process can be audited satisfactorily with reference to the Authority's Procurement Strategy and Financial Regulations, which will be made available to all tenderers.

9.4. The evaluation of tenders should be systematic, objective and well documented to provide a clear and logical audit trail. Unsuccessful tenderers should be told the outcome of the tender, and on what grounds their tender was unsuccessful. In the case of a tender conducted under the FTS process, a standstill period must be incorporated into the timetable following the notification of the contract award.

9.5. The Authority will seek innovation in the delivery of services, while having due regard to the needs of economy, efficiency, effectiveness and equity. The Authority therefore will not discount without careful consideration arrangements which might enable it to be more innovative in its approach to procurement, which might include working in partnership with other bodies or making greater use of electronic processes.

9.6. Contracts that involve construction / development of sites or exceed £250,000 are considered high risk / high value. These types of contracts will require a risk



assessment prior to the procurement process to ensure that appropriate consideration is given to the contract length, type of procurement, contract management required, whole of life cost and impact on the Authority. The Risk Management Policy provides guidance on risk identification. These contracts will also be subject to a post implementation review (PIR) to ensure that lessons learned are incorporated into future procurements.

- 9.7. For high risk / high value contracts, serious consideration should be given to a partnership arrangement.
- 9.8. All tenders should be prepared with due regard to identifying an appropriate approach to risk sharing, which considers both cost implications and the party which is best placed to bear the individual risks.

## **10. Competition**

- 10.1. The Authority encourages fair competition in accordance with the principles and objectives set out in this Strategy.
- 10.2. The Authority makes no assumptions on the best method for supply / service provision. Its policy is to procure contracts through open competition based on the Authority's procurement objectives and to determine contracts based on best value, quality, and the most effective delivery of the service.
- 10.3. Existing (long-term and other) partnerships and / or contracts are not exempt from the competition requirement and will be reviewed regularly to assess whether they are continuing to deliver value for money, or whether changes should be made. Where it is considered that a contract is not delivering value for money, and / or is failing to meet the standards set out in the contract, further action may be considered.
- 10.4. Where it is established that there are no realistic competitors for the provision of a specialist service, this must be agreed and formally documented by the Chief Executive as a Waiver of Standing Orders.

## **11. Social value and "green" procurement**

- 11.1. The Public Services (Social Value) Act 2012 places a duty on the Authority to consider, when undertaking certain types of procurement, how what is proposed to be procured might improve the economic, social, and environmental well-being of the local area, and how, in conducting the process of procurement, it might act with a view to securing that improvement. These issues should be considered at the pre-procurement stage and may include "social" specifications and contract performance conditions. It is essential that where social value is to be considered as

part of a tender response, the Authority's requirements are clearly set out within contract specifications, and appropriate criteria are established for tender evaluation.

- 11.2. Social considerations may include exploring how procurement activity can be used to:
- encourage apprenticeships.
  - promote equalities.
  - encourage development of the "living wage".
  - promote opportunities for small, local firms.
- 11.3. The Authority expects main contractors to act fairly with those in their supply chains and, where feasible, will mandate timely payment to subcontractors through contract clauses.
- 11.4. The Authority will strive to ensure that all decisions in relation to the procurement of goods, materials and services are taken in line with its sustainability commitments, and that where opportunities arise, commercial relationships are formed and nurtured with partnering and contracting organisations who share the Authority's values on sustainability.
- 11.5. The Authority will aim to minimise the environmental impact of its purchases/procurement through rigorous use of the "four R's". These are:
- **Reduce:** by only purchasing new goods that are necessary (i.e., when it is not possible or viable to re-use or repair goods already purchased).
  - **Re-use:** by purchasing products, where possible, that can be used many times rather than disposable items.
  - **Repair:** by purchasing, where possible, products that have been designed and manufactured to allow for the repair and replacement of individual parts.
  - **Recycle:** by purchasing, where possible, products made from recycled materials, and / or that may be recycled themselves.
- 11.6. The Authority will seek to ensure that in all procurements the environmental aspect is considered as an essential and integral part of the contract. This will entail specification writing, tender evaluation criteria and contract conditions which give adequate weight to the environmental dimension. When considering the sustainability criteria, these will take into account the full lifecycle of a procured item, covering manufacture, use, and disposal at end of life. It is recognised that

there can be some subjectivity in determining where to draw the line in balancing sustainability and cost. In a tendering exercise this should be reflected in the weighting criteria. In other procurements, the successful bidder will generally be determined based on the “most economically advantageous quotation” and the award criteria should therefore also be defined in advance to provide a suitable weighting for sustainability considerations. It is recognised that almost all procurements are different, and each case should be treated on its merits. If in doubt, staff should take advice from their appropriate Head of Service or Director. Advice should be sought from the Director of Finance if guidance is required on the drafting of tender evaluation criteria, to comply with Standing Orders Relating to Contracts.

- 11.7. Care must be taken to ensure that where social or environmental criteria are used as part of tender evaluations, the requirements for transparency and fair competition are safeguarded. It is particularly important that the evaluation considers the social or environmental elements of the goods or services to be supplied but should not seek to assess the overall business activities of a prospective supplier.
- 11.8. The Authority will ensure that all vehicles acquired have low emissions of local air pollutants and climate change gases, having regard also to essential operational requirements, and will take account of the need to minimise emissions and exposure to air pollution when purchasing all goods and services.
- 11.9. The Carbon Reduction Project Manager is responsible for advising the Authority’s overall performance on environmental sustainability.

## **12. In-house and outsourced services**

- 12.1. The Authority operates a predominantly “in-house” approach to service delivery. Where the Authority decides to investigate the outsourcing of any complete services, this would be undertaken based on a robust and comprehensive business case which would include a full options appraisal and cost comparison.

## **13. Contract management**

- 13.1. Effective contract management is a key ongoing element of the procurement process, and relates to the proactive monitoring, review and management of contractual terms secured through a procurement activity. Contract management should be used to ensure that what is agreed in procurement is ultimately delivered by the supplier and should therefore include monitoring of compliance with the agreed contractual terms and conditions. Following the completion of any significant contract, a review should be completed for any lessons to be fed back into the procurement process to help to deliver continuous improvement.

## 14. National Procurement Strategy for Local Government in England

14.1. The National Procurement Strategy for Local Government in England 2022 sets out a vision for local government procurement and identifies three key themes. The Authority will seek to promote these as follows:

- **Showing leadership:** Members and senior managers are engaged with the procurement process to ensure the quality of decision making improves, including oversight and accountability. The Authority will work with partners and strategic suppliers to provide a 'one team' approach to the design and implementation of solutions, to improve performance, reduce cost, mitigate risk, and harness innovation.
- **Behaving commercially:** The Authority will look to promote revenue generation and value generation through its plans for major third-party acquisitions. It will seek to support and encourage innovation and promote the development of new ideas and solutions to service delivery. Contracts will be effectively managed to control costs, secure quality and timeliness of agreed outcomes and performance levels and minimise the occurrence of risks, including strategic risk.
- **Achieving community benefits:** The Authority will look to create social value and engage locally with small medium enterprises (SMEs), voluntary, community and social enterprises (VCSEs) and micro-business through its tendering process. Social value is about improving economic, social, and environmental wellbeing from public sector contracts over and above the delivery of the services directly required and at no extra cost.

14.2. The strategy recognises that the following enablers will need to be addressed to achieve the Authority's ambitions in the key areas as: adding value, developing talent, exploiting digital technology, enabling innovation, and embedding change.

## 15. Review

15.1. This Strategy will be reviewed every three years, or more frequently where there are significant changes in the environment within which the Authority operates. Responsibility for ensuring that regular reviews are carried out lies with the Director of Finance.