



**WELWYN
HATFIELD**

**PROCUREMENT AND COMMERCIAL IMPROVEMENT
STRATEGY**

2021 - 2025

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1) Executive Summary

This Procurement and Commercial Improvement Strategy sets out the vision, objectives and actions which will direct and govern procurement activities for this council from 2021 to 2025.

These reflect both national and local policies and priorities, and include our approach to EU transition suppliers' fair working practices and ethicality, sustainability, Corporate Social Responsibility, Small and Medium-sized Enterprises (SMEs), and supporting local businesses.

This strategy recognises the major financial challenges the Council has over the forthcoming years as recovery from the Covid-19 pandemic commences.

The principal aim is to remain at the cutting edge of procurement within the public sector whilst ensuring the principles of public procurement - transparency, integrity, openness, fairness, non-discrimination, equal treatment, competition and accountability - underpin our procurement activity.

In order for this strategy to achieve improvement and financial savings and contribute to the council's corporate social responsibilities, we will all need to embrace a change to our existing ways of working and, crucially, develop a more strategic partnership between procurement and service departments

We will continue to generate process efficiencies and real cash savings through rigorous challenge of all our purchasing decisions, continue to work more cohesively and collaboratively with our internal clients and external stakeholders to identify better ways of working. This enhances our focus and considers innovative procurement methodologies to achieve best value outcomes in service areas.

2) How Procurement will support the Corporate Objectives

Beyond the procurement work plan, there are a number of initiatives within procurement that contribute additional value to the council's strategic objectives:

There are 5 priorities that will drive real progress and improvement across the Borough. As well as the 'business as usual' processes of letting contracts, the Procurement Function contributes to each of them in different ways:

1. A sense of community where people feel safe

- Including an element of Social Values in all relevant contracts

2. Attractive and accessible green spaces supporting the borough's wellbeing

- Being the lead authority in the County for sale of recyclable materials collected from residents. Generating year on year income and promoting an increase in recycling

3. Quality homes through managed growth

- Incorporating sustainable initiatives in procurements to drive long term benefits to the stock and to tenants.

4. Evolving, vibrant town centres and a growing economy

- Promoting public sector procurement to local businesses and assisting them through the process

5. A well-run council which puts our customers first

- Continuing to make financial savings and drive value for money through procurement initiatives

3) Procurement Strategic Objectives and Key Priorities

This strategy aims to build on the procurement model already in place, with a view to:

- Setting out clear and achievable strategic objectives which support delivery of the council's wider goals and objectives.
- Making sure we comply with our statutory procurement duties.
- Delivering and demonstrating real cash savings.
- Making sure we continue to investigate new technology and digital opportunities to improve our procurement methods.
- Continuing to promote sustainability, fair work practices and the importance of equality and equal treatment through procurement.
- Continuing to improve access to public sector contracts, particularly for Small and Medium-sized Enterprises, Supported Businesses, Social Enterprises, Co-operatives and Third Sector.
- Continually focussing on improving the council's sustainable procurement performance which contributes to the council's climate change declaration.
- Making sure we continue to adopt a partnership approach between internal and external partners.
- Promoting the benefits of early procurement engagement and innovation.
- Building capacity and skills within the council to improve procurement activity.

4) Procurement Strategic Aims, Objectives and Key Priorities

For this strategy, the council has six key strategic procurement objectives:

1. Savings and High Quality Services
2. Legal compliance and governance
3. Delivering sustainable procurement
4. Promote procurement awareness.
5. Mitigating risks of Modern Slavery in the Supply Chain
6. Delivering Social Values

Savings and High Quality Services

Aims

- **To support** the council in achieving budget saving targets.
- **To work** closer with Heads of Service to understand their needs, identify opportunities to reduce expenditure, control demand and improve process efficiencies.
- **Work** more collaboratively with other public sector organisations.
- **Manage** contracts effectively to produce in contract savings and continual commercial awareness
- **To Deliver** high quality services.

How we will do it

- **Continue** to target savings from all aspects of the procurement process
- **Employ** a Commercial Advisor – with a specific remit to deliver savings on new procurements and within existing contracts.
- **Continue** to prioritise more procurement time for the development of sourcing strategies to ensure that demand is fully understood (including future requirements) and that market analysis and supplier engagement is undertaken to establish the capabilities of the supply chain.
- **Continue** to look for opportunities to collaborate in procurement with our public sector partners and benchmark to ensure that collaborations provide best value.
- **Embracing** modern technology and digital transformation
- **Continue** to ensure that quality is a major part of the evaluation criteria

What will the outcome be?

- **Assisting** the council to meet budget savings targets.
- **Positive** outcomes (for example, changes in buying behaviour, identifying alternative solutions, improved ordering and invoicing solutions).

Delivery of High Quality Services

Legal compliance and governance

Aims

- **To ensure** all council officers involved in the procurement process are fully aware of all aspects and impacts of the procurement rules and any other relevant regulations.
- **To adapt** to any changes to procurement rules following EU transition and intended changes to UK public procurement rules.

To ensure all policies, procedures and processes have appropriate levels of controls, authorisation and segregation of duties to reduce the risks of fraud and corruption in our procurement activities

How we will do it

- **Mandatory** training for council officers involved in the procurement process
- **Ongoing** training for procurement staff on changes to legislation and regulations.
- **Adapt** our internal procedures, processes and documentation, where required, to reflect legislative changes
- **Adapt** our internal procedures, processes and documentation, where required, to reflect any new requirements after 1 January 2021..
- **Review and Update** our contract procedure rules to reflect these aims

What will the outcome be?

- **Staff** are confident in their understanding of procurement regulations and other relevant regulations. All staff involved in the procurement process understand their obligations
- **Mitigation** of the opportunities for procurement challenge.
- **Procurement** activity will comply with all relevant statutory and regulatory requirements.
- **Reduction** in the risk of fraud and corruption

Delivering sustainable procurement.

Aims

- **To increase** the knowledge and understanding of the benefits of sustainable procurement of all council staff who participate in the procurement process and make better use of the expertise within the council to ensure wider sustainable outcomes are achieved.
- **To secure** wider social, economic and environmental benefits for the local area and ensure those benefits are realised.
- **To include** sustainability and carbon reduction criteria in all procurements

How we will do it

- **Training** and awareness sessions on sustainable procurement with an emphasis on the application of circular economy, whole life costing, life cycle impact mapping and the early involvement of SMEs, Social Enterprises, Co-operatives, Supported Businesses and Third Sector organisations.
- **Further** optimise the community benefits process by working more closely with relevant internal and external stakeholders.
- **Review** council mandatory evaluation requirements (insurance, health and safety) to ensure they are compatible with the SME agenda.
- **Review** our internal processes and documentation to identify potential improvements in how local SMEs, Social Enterprises, Co-operatives, Supported Businesses and Third Sector organisations can gain opportunities to win council contracts.
- **Support** the UK Governments initiative for organisations to undertake due diligence in checking for risks of illegal deforestation in their supply chains

What will the outcome be?

- **Staff** involved in the procurement process understand and positively contribute to achieving sustainable outcomes.
- **Increased** opportunities for local SMEs, Social Enterprises, Co-operatives, Supported Businesses and Third Sector organisations.
- **Secured** and realised sustainable benefits.
- **Include** a minimum to 5% of the weighting in any tender evaluation criteria to sustainable procurement and carbon reduction initiatives
- **The council** is reassured that suppliers adhere to the principles of a Fair Work Practice organisation.

Mitigating Risks of Modern Slavery in the Supply Chain

Aims

- **Reducing** the risk of any modern slavery within the Supply Chain
- **Raise** awareness of potential modern slavery and how this can be identified
- **Consider** the adoption of Charter Against Modern Slavery

How we will do it

- **Produce** internal guidance on eradicating Modern Slavery
- **Risk** analysis of Supply Chain to identify potential threats
- **Training** and awareness sessions for both staff and contractors
- **Update** standard documents and terms to reflect the aims of the strategy and put contractual obligations on suppliers to undertake analysis of their supply chains

- **Include** requirements in contract management protocol for suppliers to report on their efforts to reduce Modern Slavery in their Supply Chains

What will the outcome be?

- **Improving** the lifestyle of workers
- **Staff** involved in the procurement process understand and positively contribute to reducing the risks of modern slavery in the Supply Chain.
- **Reducing** the reputational risk of Modern Slavery being identified in the Supply Chain.
- **The council** is reassured that suppliers take the risks of modern slavery seriously.

Delivering Social Values

Aims

- **Embed** Social Value in all procurement opportunities
- **Deliver** tangible and realistic outcomes through Social Value initiatives
- **Raise** awareness of Social Value throughout the organisation
- **Ensure** at least 10% of the evaluation criteria for all competitive procurements is allocated to Social values with an emphasis on using businesses based within the Borough .
- **Ensure** Social Value is embedded in the contract management process

How we will do it

- **Develop** internal processes to support the social value initiatives
- **Raise** awareness throughout the Organisation
- **Update** the Contract Management process
- **Monitoring** the delivery and setting targets

What will the outcomes be?

- **Delivering** real benefit to the community
- **Increasing** employment within the Borough
- **Value** for money will be delivered by Social Value initiatives

5) Key Procurement Activity: 2021 – 2025

The following 'business as usual' major procurements are due to take place over the next 5 years

2021

- Housing Maintenance
- Support Services (ICT, Revenues and Benefits and Customer Services)
- Welwyn Garden City Town Centre
- Hatfield Town Centre
- Specialist Housing Maintenance Services
- Cemetery Management
- Minor Building Works (Review)
- Footway repairs (Review)
- Cleaning Services (Review)
- Pest Control (Review)
- Minor Landscaping Works (Review)
- Garage Maintenance (Review)
- Electrical Maintenance (Review)
- Sale of textiles (Review)
- Architects (Review)
- Abandoned Vehicles (Review)
- CCTV Services (Review)
- Burfield Close
- Ludwick Green
- Agency Staff Contracts

2022

- Legal Section 106 agreements
- Queensway House - 2022

2023

- Tree Maintenance (Review)
- Comingled recyclates (Review)
- Gas Maintenance (Review)
- Property Valuations (Review)
- Utilities
- Parking Enforcement (Review)

2024

- Disabled Adaptations (Review)
- Professional Building Services (Review)
- Leisure Management (Review)

2025

- Bus Shelter Maintenance

Note : Where Review is stated then there is an extension available in the current contract

The following strategic objectives are planned to be delivered over the next 5 years

2021

- Major Review of Contract Procedure Rules to include
 - Climate change initiatives from this strategy
 - Develop and Implement a Social Values protocol
 - Develop and Implement a Modern Slavery protocol
- Roll out and deliver the plan to centralise procurement and deliver cashable savings

2022

- Update of Contract Management Guide

2024

- Review of Procurement Strategy

6) Monitoring Review and Reporting on the Strategy

This strategy will be monitored regularly by the Governance Group with an annual update report being submitted to Corporate Management Team.