

PROCUREMENT STRATEGY



INCORPORATING SOCIAL VALUE

CHERWELL DISTRICT COUNCIL

DRAFT 2023



Cherwell | DISTRICT COUNCIL
NORTH OXFORDSHIRE

PROCUREMENT & CONTRACTS

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INTRODUCTION



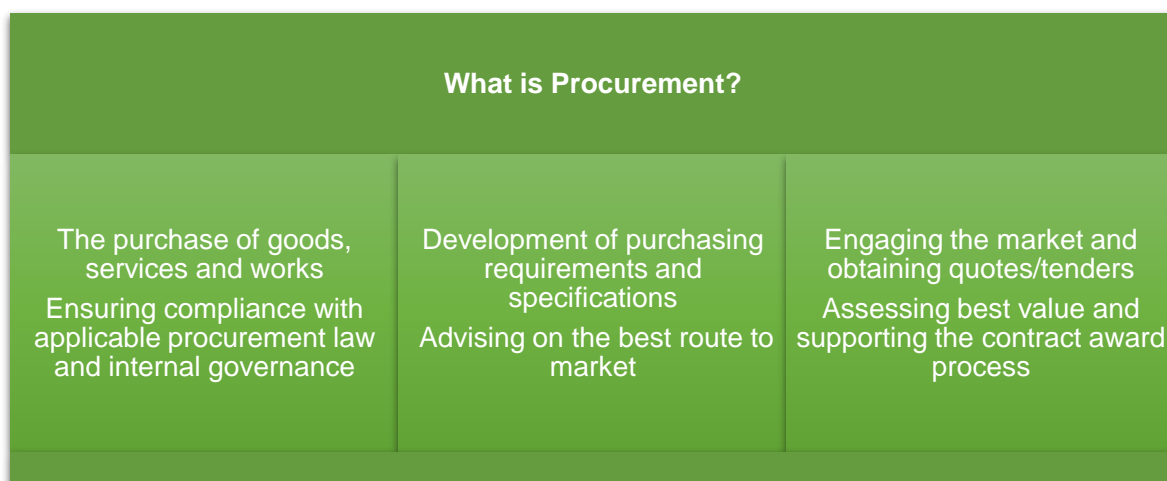
Cherwell District Council was recently re-organised as a standalone authority for the first time in a decade. It was heralded in an independent review as a leader of place, with big ambitions and a track record of delivering. The Council is a significant purchaser of goods, services and works in Cherwell. It is subject to public sector procurement rules and as such must buy goods, services and works in compliance with applicable law.

In March 2023, the Council:

- Approved new Contract Procedure Rules
- Commenced a programme of guidance and support for Council Officers
- Initiated new contract gateway procedures, leading to the establishment of a new Procurement & Contracts Group responsible for procurement governance

This Procurement Strategy explains how we will continue to develop professional standards and processes across the Council and support delivery of quality services that reflect value for money for our community.

It sets out the objectives of the Procurement & Contracts Unit – part of the Law and Governance department - over the next few years to support the Council’s aims for achieving value for money and continuous improvement in procurement.



This Procurement Strategy aims to achieve the following objectives:



This document sets out how these objectives will be achieved through the Council's procurement and contract approach over the next few years.

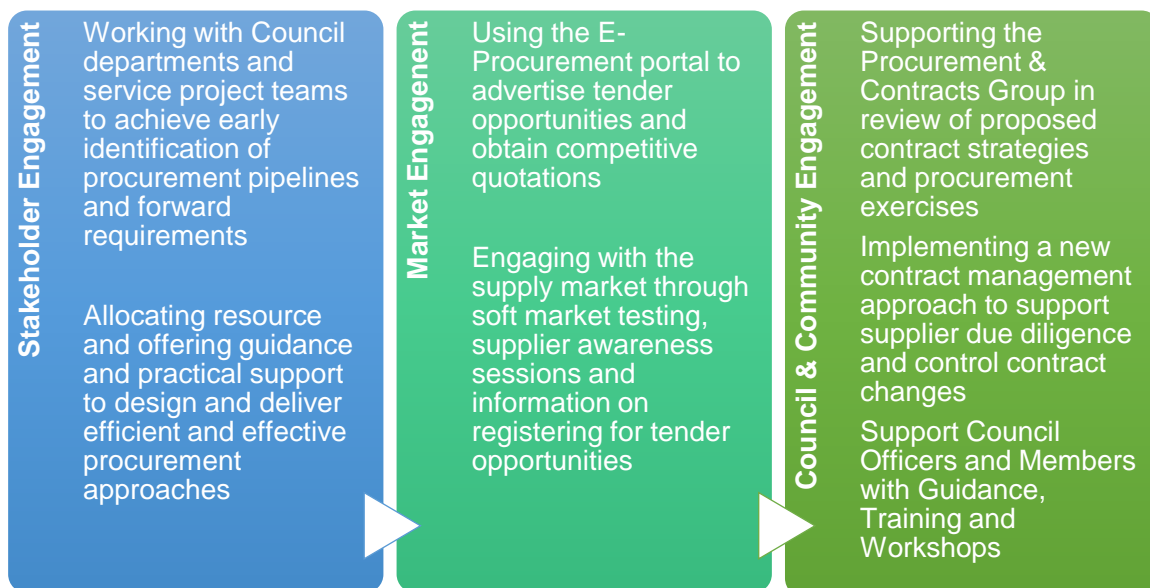
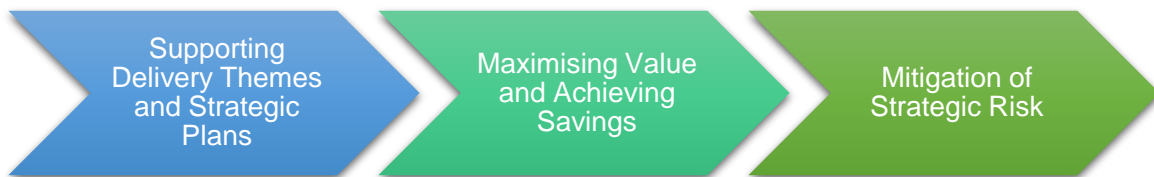
Delivery of these objectives will be measured and supported by an Action Plan, which forms part of this Strategy.

SUPPORTING CHERWELL



We will continue to develop the procurement and contracts service in alignment with Cherwell’s Delivery Themes set out in the Council’s [Business Plan](#). In addition, we will offer practical support and commercial support for the Council’s Strategic Plans, such as Digital Futures which sets out the vision to make life easier for everyone in Cherwell by using technology to enhance their experiences whether receiving or providing council services.

Through dedicated guidance, support and professional processes the Procurement & Contracts Unit will help maximise the value delivered through the Council’s non-pay expenditure. This support will also assist the Council in management of strategic risk, through due diligence of suppliers and providing a framework for contract terms, specifications and key performance indicators. This approach mitigates risk, increases clarity on contract requirements and accountability of contractor performance.



GOVERNANCE



Public procurement is governed by a legal framework aimed at promoting the principles of economic competition, transparency and equality of treatment set out in public contracts legislation. Failure to comply with applicable law can lead to delays, costs and legal challenges. Good contract governance is also important to ensure supplies, services and works are delivered appropriately in accordance with contract requirements.

Appropriate compliance will be maintained through:

- Implementation of the Council's Contract Procedure Rules
- Monitoring of significant procurements by the Procurement & Contracts Group
- Continuation of guidance and training to Council colleagues
- Deployment of the new E-Procurement system
- Promoting measures on Anti-Fraud, addressing Conflicts of Interest & Modern Slavery Act
- Preparation for upcoming procurement legislation, currently anticipated to go-live in 2024

The key gateway forum for review and approval of significant procurement exercises is the Procurement & Contracts Group. This group considers procurement spend within the Council for medium to high value contracts. As part of the **Gateway Process**, contract strategies are considered by a multi-disciplinary group of officers and representatives of elected members:



Relevant projects are reviewed in respect of legal compliance, budget, commercial risks and alignment with the Council's Contract Procedure Rules and other policies. The Group can also be appraised with updates on how the procurement contract strategy has been delivered.

VALUE FOR MONEY

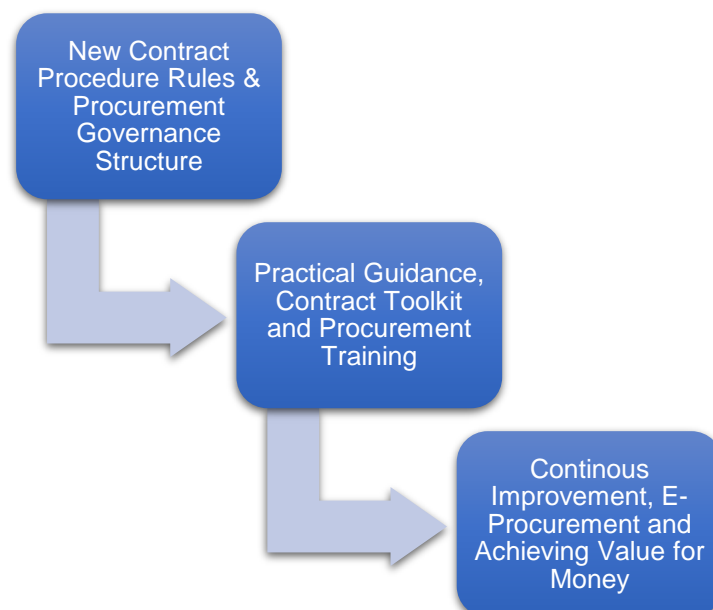


Council Procurement has a key function in delivering value for money and efficiency by ensuring the purchase of goods, services or works have been suitably market tested. This can be achieved by using processes such as requesting quotations, seeking tenders or calling off Framework Agreements (where suppliers have been selected onto the framework following a publicly advertised procurement process).

Procurement criteria may address price and quality. By facilitating a compliant procurement process, offering practical advice and implementing continuous improvement measures (such as the new E-procurement portal), the Procurement & Contracts Unit can help deliver significant savings and achieve added value for the Council and local community, by supporting:

- Pipeline Planning and Stakeholder Engagement
- Providing Support on Route to Market Options, Frameworks etc
- Guidance and Support on Developing Specifications
- Quality and Financial Criteria in Invitations to Tender
- Achieving Savings, Quality Service Deliverables and Added Value

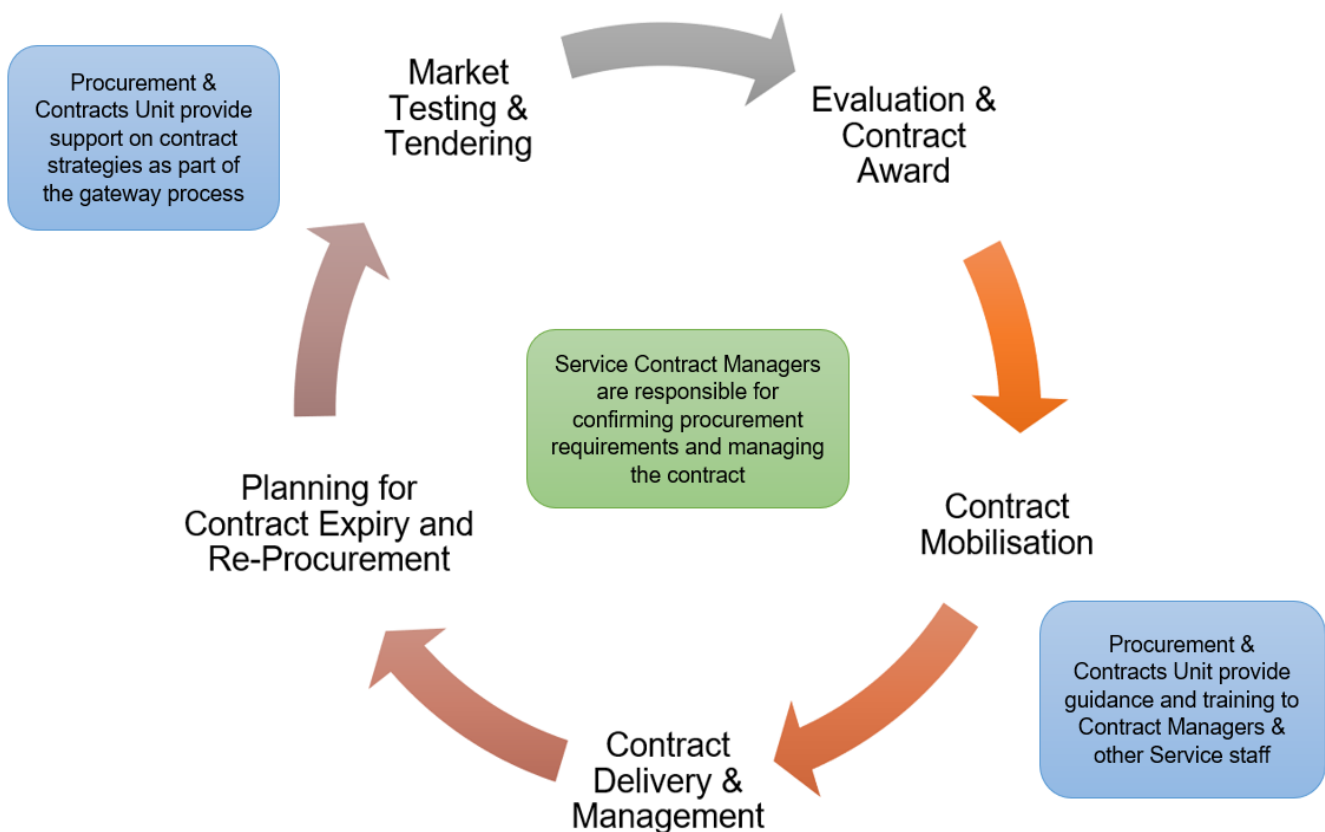
To ensure good governance – and value for money – it is important the Procurement & Contract Unit is appropriately resourced. Further details are set out in the Action Plan.



SUPPLIER & CONTRACT MANAGEMENT



Market testing and tender processes form just part of the overall contract lifecycle for long term and recurring procurement requirements. Contract Managers within the relevant service departments will be responsible for developing contract specifications and strategies, with support from the Procurement & Contracts Unit:



Once a supplier has been awarded a contract, good contract management is a vital step in the process to make sure what is promised will be delivered. Effective contract management involves the proactive monitoring of all activities necessary to ensure goods, services and works are provided in accordance with the contractual agreement.

Mobilisation happens after a supplier is selected, but before the contract goes live. The Contract Management approach will support information gathering to help run the contract and make sure that the right plans are in place.

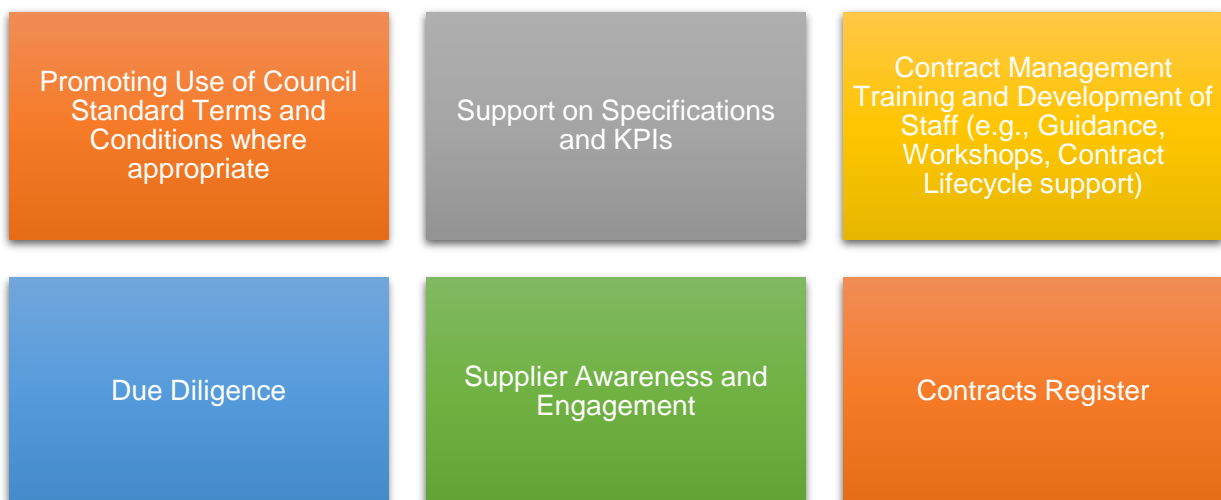
For some contracts, the Council may be committed to working with a supplier for some time. The success of the contract relies on good communication between both parties. On-going due diligence can identify and mitigate issues such as missed deadlines, compliance failures and inefficiency.

The Contract Management approach will promote review meetings to avoid drift and keep the relationship open and constructive, identifying and resolving issues early. It will also support risk management to identify, control and manage risks that might have an impact on the contract being performed effectively.

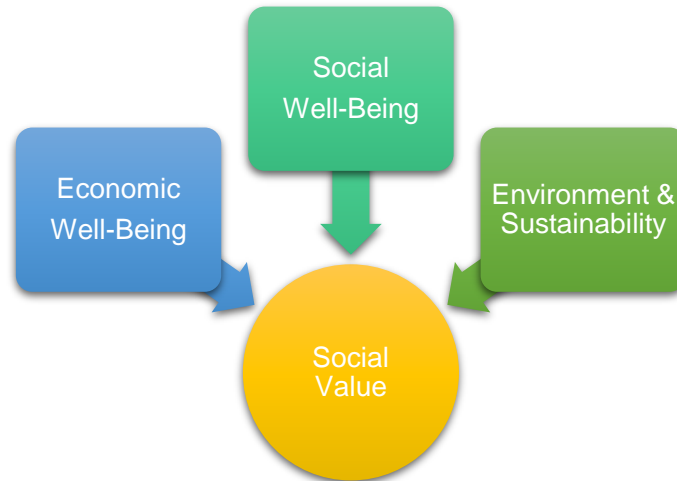
Procurement and Contracts Unit can support Contract Managers in service departments on the management of contract changes that may arise during the term of the contract - to ensure they accord with the Contract Procedure Rules and applicable terms and conditions. Examples include:

- Changes of key personnel
- Factors affecting supplier costs
- Changes to legislation
- Extraordinary events beyond the supplier's control

The contract documentation should include clear expectations and strategies for exit and transition. Procurement & Contracts Unit are in a unique position to support the full contract lifecycle:



DELIVERING SOCIAL VALUE



Social value in procurement is about promoting how the purchase of goods, services and works can create additional benefits for society.

Further to the Public Services (Social Value) Act 2012, the Council has established as part of its procurement gateway process and this Strategy:

- Consideration of how proposed purchase of services might improve the economic, social and environmental well-being of the local area where applicable
- How Sustainability – such as carbon footprint and emissions reduction, recycling or energy efficiency - may be achieved
- Promotion of Equality, Diversity and Inclusion in the resourcing and delivery of contracted services and works

These issues may be connected in their positive social impact and can be enhanced by the approach set out in this Strategy for procurement opportunities, supplier engagement and partnerships.

Approaches to delivering social value include:

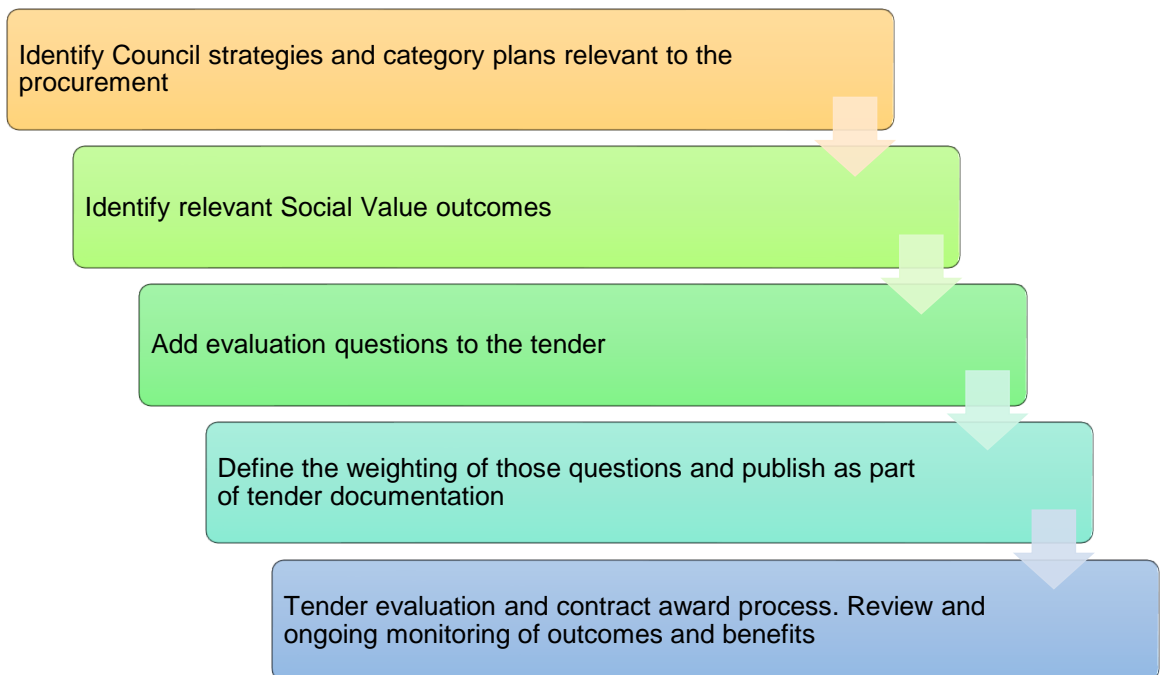
- Engagement with organisations with a focus on maximising the social, community, and environmental value delivered through the spending power of the Council
- Supporting the development and inclusion of social value related specifications and evaluation criteria in the planning and design of procurement processes and contract management approaches, for example:
 - Promoting Local Skills and Employment and an “Inclusive Economy”
 - Supporting Healthier, Safe and More Resilient Communities
 - Supporting Decarbonisation and Net Zero Commitments

Further details on achieving these aims, including addressing climate change and Scope 3 emissions, are set out in the Action Plan.

This work will contribute to the procurement and contract related aspects of Cherwell’s Themes, Outcomes and Measures (“TOMs”) originally set out in the CDC [Social Value Policy](#) prior to de-coupling:

THEME	OUTCOMES
PROMOTING DIVERSE LOCAL SKILLS & EMPLOYMENT	More local people in employment
	More opportunities for disadvantaged people
	New and improved skills for local people
	Improved employability of young people
SUPPORTING GROWTH OF SMEs, THE GREEN ECONOMY AND ATTRACTING RESPONSIBLE INVESTMENT	More investment and opportunities for local MSMEs and VCSEs
	Improving staff wellbeing and mental health
	Increase and promote fair and equal pay, and reduce pay gaps (gender, ethnicity, disability, etc.), by collaboration with suppliers
	Encourage best practice and ensure compliant, ethical procurement
VIBRANT, SAFER & MORE CONNECTED COMMUNITIES	Social Value embedded in the supply chain
	Addressing the causes of health inequalities
	Vulnerable people are helped to live independently
	Crime and anti-social behaviour is reduced
TAKING CLIMATE ACTION FOR A ZERO-CARBON FUTURE	Engage with our communities, develop strong ties and collaborate on projects to improve the local area together
	Carbon emissions are reduced
	Air pollution is reduced
	Safeguarding the natural environment
ENCOURAGING SOCIAL INNOVATION	Resource efficiency and circular economy solutions are promoted
	Sustainable procurement is prioritised
	Other measures (TBD)

- This Strategy builds on these TOMs and progresses forward, helping to achieve a Cherwell specific procurement and contract management approach across the planning, evaluation and contract award (and post-award) stages:



- We will also provide guidance to Council stakeholders and contract managers on considering how future requirements might be offered in smaller, multiple contracts – if practicable and aligned with appropriate contract management requirements
- In addition, we will engage with larger regional and national suppliers to enquire how they may utilise local suppliers in their supply chains – and/or invest into our local communities, through jobs, training or improving our environment

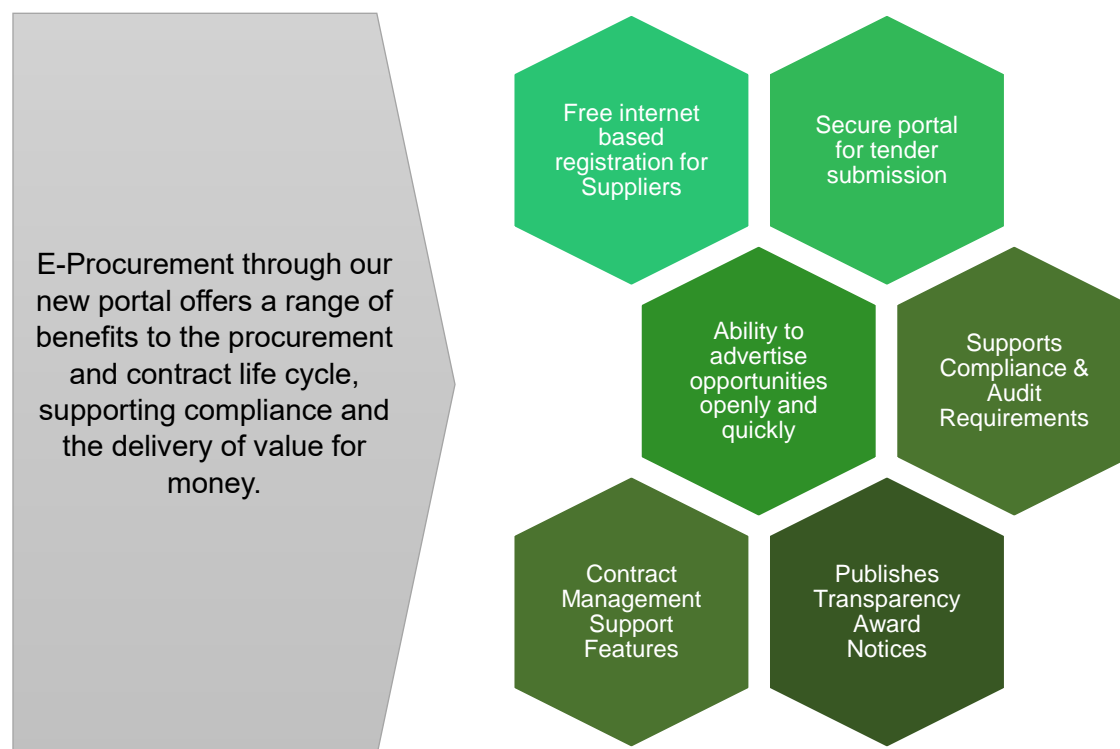
Social value criteria - in the context of procurement - should be relevant to the scope, specification and objectives of the contract. Council officers are prompted during the gateway process to consider how social value can be addressed as part of the contract strategy. They are also supported with guidance and training on developing social value requirements, criteria and related specifications.

By engaging with local suppliers and businesses we can increase interest and participation in procurement opportunities, supporting the local economy. Further details are set out in the Action Plan annex.

CREATING OPPORTUNITIES



The Council will encourage officers to use legally compliant processes to open up tender opportunities for local Small & Medium Enterprises (SMEs), and Voluntary, Community or Social Enterprise organisations (VCSEs) where practicable. This is supported by deployment of our new electronic procurement portal - used for registering suppliers, advertising tender opportunities and seeking quotations.



The Council can also promote opportunities for the local community and suppliers by:

- Including consideration of Added Value, Apprenticeships and other positive Community Impact in relevant procurement requirements
- Engagement with Local Business & Organisations through supplier awareness sessions and developing procurement information on our website and portal
- Promoting Collaboration & Partnerships in public procurement with local organisations and public sector partners

ANNEX

ACTION PLAN



Procurement Objective	Action	Expected Outcome	Timeline
Efficient & Effective Procurement	Ensuring the Procurement & Contract Unit is appropriately resourced with relevant governance and commercial skill sets	Procurement & Contracts is seen as an enabling function supporting innovation, quality service provision and value for money	2023-2025
	Reviewing opportunities for improved ways of working, actively seeking involvement in projects at an early stage to help deliver efficiencies where possible	Buyers, contract managers and decision makers are provided with clear guidance and resources are available to assist them.	2023-2025
	Supporting contract managers and stakeholders with guidance and training to know where and how they can achieve best value	Buyers, contract managers and decision makers have the knowledge to make the right purchasing and contract management decisions	2023-2025
	Advising colleagues on developments in applicable regulations or other factors affecting Procurement, where there is likely to be a significant impact on the Council's operations, financial sustainability or reputation	Prevention or mitigation of commercial or financial risks arising from procurement of goods, services and works	2023-2025

Procurement Objective	Action	Expected Outcome	Timeline
Governance & Compliance	Contract and supply risks are noted and reduced / managed where appropriate	Prevention or mitigation of legal or strategic risks arising from procurement of goods, services and works	2023-2025
	Training of staff is appropriate to understand the legal aspects of procurement and encourage dissemination of knowledge and good practice	Prevention or mitigation of legal or strategic risks arising from procurement of goods, services and works	2023-2025
	Working in conjunction with Finance, Audit and Contract Managers to monitor areas of Expenditure where there may be a higher risk of fraud, supplier failure, or other related negative impacts	Prevention or mitigation of fraud related risks	2023-2025
	Review of new Procurement Legislation, related Government Guidance and Procurement Policy Notes	<p>Ensure compliance with applicable law at all times (such as the Public Contracts Regulations 2015 or any subsequent procurement legislation as may be in force) to avoid potential challenges, delays or costs</p> <p>Revision and alignment of procurement policies, processes and guidance in time for implementation of any new Procurement Legislation</p>	<p>2023-2025</p> <p>2024</p>

Procurement Objective	Action	Expected Outcome	Timeline
Value For Money	Periodic Value for Money reviews across areas of spend, increasing market knowledge through category strategies or other procurement approaches/routes to market	Savings opportunities identified and delivered against	2023-2025
	Periodic benchmarking of current suppliers to ensure the Council is getting the best price and quality available	Savings opportunities identified and delivered against	2023-2025
	Potential category strategies or alternative procurement approaches to be designed, evaluated and where appropriate implemented	Consolidation of contracts and savings opportunities identified and delivered against	2024
	Prudent management of demand, including reducing or delaying specific contract activity, number of purchases, and consolidating multiple purchases to obtain maximum supply outcome for minimum expenditure where practicable	Consolidation of contracts and savings opportunities identified and delivered against	2023-2025

Procurement Objective	Action	Expected Outcome	Timeline
Achieving Social Value	Deploying the principles of sustainable procurement into the contract lifecycle with consideration to socio-economic and environmental factors (inc. Cherwell TOMs)	Opportunities to deliver social value and positive community impact identified and delivered against	2023-2025
	Facilitating sustainability workshops and addressing waste, energy efficiency & climate change measures (inc. Scope 3 emissions)	Opportunities to deliver sustainability and meet carbon targets identified and delivered against	2023-2025
	Promoting Equality, Diversity, Inclusion in the key stages of the procurement and contract lifecycle including in respect of protected characteristics	Opportunities to promote inclusive social values identified and delivered against	2023-2025
	Reviewing categories or areas most salient to Modern Slavery and promoting enforcement of the Modern Slavery Act in relevant procurement processes	Increased staff and supplier awareness of Modern Slavery Act issues and responsibilities in the supply chain	2023-2025
Promoting Opportunities	Launch of supplier focused procurement portal/website landing page	Enhanced supplier awareness of Council procurement opportunities and increased competitiveness in the supply market	2023
	Actively encourage new entrants to supply market through supplier engagement events – including local SME and other suppliers	Positive engagement with the supply market. Increased supplier awareness of Council procurement opportunities & enhanced competitiveness.	2024
	Jointly tendering with partners when appropriate	Increased co-ordination and engagement with community and public sector partners.	2024-2025