

 Executive 5TH April 2017		Agenda Item No. 4
Title	Code of Procurement Practice update (proposed amendments to the Code of Procurement Practice)	
For further information about this report please contact	John.roberts@warwickdc.gov.uk Mike.snow@warwickdc.gov.uk	
Wards of the District directly affected	All	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number		
Background Papers		

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	Yes
Included within the Forward Plan? (If yes include reference number)	Yes/No
Equality & Sustainability Impact Assessment Undertaken	No (If No state why below)
No assessment as this is a progress report.	

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	15/03/2017	Andy Jones
Head of Service	15/03/2017	Mike Snow
CMT	15/03/2017	
Section 151 Officer	15/03/2017	Mike Snow
Monitoring Officer	15/03/2017	Andy Jones
Finance	15/03/2017	John Roberts
Portfolio Holder(s)	15/03/2017	Cllr Peter Whiting
Consultation & Community Engagement		
Senior Management Team Procurement Champions		
Final Decision?	Yes	
Suggested next steps (if not final decision please set out below)		

1. SUMMARY

- 1.1 This report presents proposed amendments to the Code of Procurement Practice (CoPP) and the introduction of Equality in Procurement Policy, SME Procurement Policy, Small Business Friendly Procurement Charter – Declaration of Support, Corporate Responsible Procurement Policy and Contract Management Framework

2. RECOMMENDATION

- 2.1 That the Executive recommend that the Council adopt the updated Code of Procurement Practice and the documents, itemised below.

- Equality in Procurement Policy
- SME Procurement Policy
- Small Business Friendly Procurement Charter – Declaration of Support
- Corporate Responsible Procurement Policy
- Contract Management Framework

3. REASONS FOR THE RECOMMENDATION

- 3.1 The Equality in Procurement Policy, SME Procurement Policy, Small Business Friendly Procurement Charter – Declaration of Support, Corporate Responsible Procurement Policy and Contract Management Framework are fundamental elements of the Council's policy framework. Its purpose is to support the ability of the Council to demonstrate that it is achieving value for money from its expenditure and that its contracts and services are being managed in an open and transparent manner, in line with the Council's Core Values
- 3.2 The Council is committed to procurement practices and procedures in line with the National Procurement Strategy for Local Government 2014, ensuring that goods and services are procured in an efficient, fair, equitable, safe and responsible manner and that contracts/tenders are managed effectively, efficiently and achieve value for money.
- 3.3 Council's Procurement Code of Practice has been redrafted to reflect current best practice and allow for flexibility in order to enable officers to obtain best value whilst observing high standards and relevant legislation and protocols. The developments in best practice, legislation and government guidance, combined with the need to be responsive, make it important to accept that the Procurement Policy documents are living documents and will require review and amendment. It is intended that the Code of Procurement Practice is in a style and format which is comprehensive, straightforward and accessible to all users
- 3.3. The changes are required because of the introduction of new legislation, in particular, the Public Contract Regulations 2015, the Small Business, Enterprise and Employment Act 2015 and the Local Government (Transparency Requirements) (England) 2015. Further information on the changes is provided below:
- 3.4 All tenders over £25,000 in value must now be advertised on the UK Government's Contracts Finder website. This website has been designed as a national single information resource where suppliers may register free of charge to receive details of any public sector business opportunity within their particular area of interest. Previously the Council could choose where to advertise its tenders, required only to ensure adequate competition. The rules for advertising higher value EU tenders remain unchanged.

- 3.5 Details of all tenders advertised and all contracts awarded by the Council with a value of £5,000 or more must be published on the Council website. Previously the Council was only obliged to formally publish details of all EU tender awards and maintain a basic Contracts Register.
- 3.6 The Code of Procurement Practice has been refreshed, in harmony with other councils' methods in order to:
- a) Provide easy-to-read and to follow instructions on the procurement process. The Procurement Code is supported by the procurement toolkit which provides practical and more detailed advice about how to undertake a procurement exercise, including access to a suite of template documentation.
 - b) Ensure that procurement tools and techniques are better directed to run procurement exercises faster with less red tape, and more focus on getting the right supplier and the best price.
 - c) The new Procurement Code provides officers with more information and guidance on areas of best examples include:
 - Stakeholder and Early Market engagement – information about the steps which may be taken in consulting with services users and providers to better shape the service specification before going out to tender;
 - Use of Framework Agreements – information on the potential benefits of using framework agreements and some of the legal considerations
 - Contract management, Contract variations and extensions – information on managing contracts and contractors effectively to ensure maximum benefit is provided to the Council and/or service users; details of the formal processes which must be followed regarding contract variations and extensions;
- 3.7 Training and ad hoc surgeries will be provided to all Managers, Officers and Staff involved in the procurement process and launch, promote and embed the Code of Procurement Practice 2017 and Procurement Strategy 2017 - 2019. The programme will include monthly procurement surgeries and targeted training workshops.

4. FIT FOR THE FUTURE

As part of the Council's policy framework, the Code of Procurement Practice underlines how the Council acts in securing and managing its Procurement requirements to meet the aspirations as part of 'Fit for the Future'.

5. BUDGETARY FRAMEWORK

The Code of Procurement Practice complements the Code of Financial Practice in ensuring that financial best practice is applied to the Procurement of goods, services or works. Compliance helps protect the Council by minimising Procurement risks, whilst ensuring best value is obtained.

6. RISKS

- 6.1 The main risks associated with procurement can be cost overruns and the threat of legal challenge. Good procurement which adopts the Council's project management methodology will identify such risks and ways to mitigate them. Other practical ways of reducing the risks are through use of the new Procurement Code which clearly outlines what procedures officers should follow

at different financial thresholds and through the provision of procurement training to officers.

6.2 It is important that all Procurement exercises across the Council comply with the relevant Procurement regulations and directives and also the Council's Code of Procurement Practice. By following this approach the Council will reduce the risk of challenge. It should ensure that the Council obtains Value for Money by applying Procurement 'best practice'.

6.3 Procurement exercises are managed in line with all Procurement legislation. By implementing the changes expenditure by the Council teams will be managed and controlled to ensure compliance.

6.4 Clear and robust contracts will ensure delivery of the required business needs in line with the obligations set out in the contract documentation. Failure to have in place clear contract arrangements increases the risk to manage the expectation of the service from the provider due to:

- Lack of clarity in the requirements
- No price control
- No clear ownership of tasks / obligations
- No contract management performance targets

7. ALTERNATIVE OPTION(S) CONSIDERED

The amended documents set out how the District Council's Procurement arrangements should operate so as to comply with best practice and current legislation. The updated Code should therefore be accepted in its entirety.

8. CODE OF PROCUREMENT PRACTICE 2017

8.1 The new proposed Code of Procurement Practice is made up of the following sections:-

1. Procurement Rules
2. Procurement Procedure
3. Contract Management Practice and Procedure
4. Glossary
5. Policies (as detailed below)

1. Contract Management Framework – the purpose of this document is to embed an efficient and effective contract management practice and procedures
2. Equality in Procurement Policy – the purpose of this document is to bring WDC in line with other Local Authorities and to demonstrate WDC's commitment to equality in its Procurement activities.
3. SME Procurement Policy – the purpose of this document is to encourage SME's to participate in bidding and to develop and stimulate a varied and competitive marketplace.

<p>4. Corporate Responsible Procurement Policy – the purpose of this document is to align WDC with other Local Authorities and to ensure the purchase of goods, works, and services is carried out in a socially, economically, and environmentally responsible way</p>
<p>5. Corporate Responsible Procurement guide for Potential suppliers – the purpose of this document is to promote Responsible Procurement in the purchasing of goods, works and services and to provide information and advice to potential Suppliers</p>
<p>6. Ethical Procurement Statement- this statement sets out WDC’s approach to ethical procurement</p>
<p>7. Sustainable Procurement Policy7. Sustainable Procurement Policy– the purpose of this document is to promote Responsible Procurement in the purchasing of goods, works and services and to provide information and advice to potential Suppliers</p>
<p>8. Social Value Procurement Handbook - This handbook has been written to advise and support Sponsoring Managers and staff involved in the procurement process to ensure that “Social Value” elements are considered in all appropriate Procurement projects.</p>
<p>9. Small Business Friendly procurement Charter – Declaration of Support - One strand of encouraging local purchasing is by working with bodies such as the Federation for Small Business (FSB) who are taking purchasing initiatives through their local procurement charter. The thrust of the Charter is to ensure that local businesses have a fair chance of bidding for work will ensure that the local economy continues to flourish in the district. Signing the Charter shows that we are committed to working with small enterprises to help break down the barriers that have made it hard for them to access local and national procurement in the past.</p>