



ADUR & WORTHING
COUNCILS

SUSTAINABLE
PROCUREMENT STRATEGY
2020 – 2023

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PURPOSE OF THE STRATEGY

This strategy sets out how the Councils will use their commissioning and procurement activities to help deliver *Platforms for Our Places*, Adur & Worthing Councils' ambition for prosperity and well-being in our places and communities over the next three years.

The Councils made a specific commitment in [Platforms for our Places Going Further 2020-2022](#) which seeks to create foundations to enable our residents and local communities to grow. *Platforms for our Places: Going Further* sets out the Councils' role in developing places and communities over the next three years (2020-2022).

There are five Platforms:

1. **Prosperous Places:** Long-term economic resilience of our places requires a healthy balance between sectors, skills, business sizes and capacity to develop, innovate and scale ... as well as significant and on-going focus on productivity as a competitive advantage.
2. **Thriving People and Communities:** Thriving people and communities are engaged and connected, safe and well, resilient and independent, aspirational and hopeful, and provide support for those requiring it.
3. **Tackling Climate Change and Supporting our Natural Environment:** We recognise the urgent need to act on climate change and support our ecological systems to thrive.
4. **Good Services and New Solutions:** We are focusing on what residents need, working efficiently, flexibility and with empathy. We aim to deliver services that residents and businesses say are effortless to use.
5. **Leadership of Place:** Good civic leadership of our places has been proven and is well understood. Locally based governance with local government that listens, understands and plans for now and the future, is more vital than ever.

CORE VALUES

This strategy has three core values:

Community focus – ensure all commissioning and procurement activities are designed to meet the needs and aspirations of the communities we serve.

Sustainable Procurement – all commissioning and procurement should be undertaken in an efficient manner, adopting a whole life costing basis that obtains value for money whilst delivering social, economic and environmental benefits.

Governance and Risk – ensure procurement activities have appropriate governance arrangements at key milestones and are undertaken in a transparent and legal manner. To identify and manage risks appropriately without becoming risk averse.

WHERE WE ARE NOW

Procurement is the acquisition of goods, works and services to fulfil the wants and needs of our stakeholders. The Councils spend approximately one third of its annual budget on externally procured goods and services. It is essential that all of those services are planned in order to deliver improvements in economy, efficiency and effectiveness, resulting in a high quality of service and supply.

The Procurement Team recognises that we have the opportunity to have a profound impact on the way the Councils do business with its suppliers, and to affect outcomes for its stakeholders. We form part of a set of central services that operate across all functions, having an overview of spend across all categories. This vantage point covers many business units, commissioning teams, departments and directorates and, therefore, allows for the implementation of initiatives that can directly tackle the priorities listed within the Procurement Strategy Action Plan.

We intend to operate as a responsible procurer, taking price and technical quality elements into consideration but also including social, economic and sustainability objectives in our work. Strategic procurement will help to identify non-essential services and minimise disaggregation of spend in order to achieve better value for money (VFM). A collaborative approach and the delivery of jointly commissioned services with external public bodies will help to establish efficiencies and savings.

This Strategy is supported by the Councils Contract Standing Orders (CSOs), which provide the legal framework under which all procurement activity will take place, and which all internal stakeholders must adhere to when carrying out procurement activity.

A Procurement Toolkit has also been developed. This is an online, easy to use 'self-serve' step by step information and advisory resource for officers to follow when undertaking routine procurement. The Toolkit features a library of commissioning and procurement related best practice and guidance documents.

A Contracts Register has been built in order to develop a strategic opportunity pipeline, and support effective contract management across the organisation.

OUR AIM

The Procurement team works in a fast moving environment of changing legislation and control. We are aware of the current national and local financial climate, and the potential impact of a financial slowdown. These factors could adversely affect the implementation of this strategy; however we will also focus on the potential gains to be made.

We aim to:

- Help the Councils to achieve the Procurement Strategy Action Plan when procuring externally provided services
- Provide an overview and plan of procurement across the Councils
- Oversee procurement of high risk and high value contracts
- Support growth in the local economy and provide opportunities for small businesses
- Help the Councils achieve its value for money programme
- Help the Councils achieve a high quality of service and supply throughout the entire life cycle
- Provide written guidance and increased collaboration across internal Councils departments, other Councils and relevant bodies
- Procure services to meet the Councils' needs
- Help the Councils deliver its evolving Sustainable Procurement Strategy
- Procure services in an ethical manner
- Monitor and improve compliance with the Councils' Contract Standing Orders (CSOs)

Efficient procurement of services is crucial to the Councils' drive to deliver VFM. Collaboration, partnerships and shared services are becoming more commonplace. Our strategy has a clear focus on continued collaboration with similar organisations in procuring services as well as our wider partners.

Responsible procurement is the purchase of goods, works and services in an environmentally and socially responsible way that also delivers VFM. It will assist the Councils in delivering improved social and environmental wellbeing in the local community.

A major aim is to improve accessibility for local businesses and SMEs when tendering for contracts. This will be achieved by ensuring continued adoption and implementation of the Public Services (Social Value) Act 2012 through the Commissioning and Procurement process.

SOCIAL VALUE

The Public Services (Social Value) Act 2012 places a legal obligation on Councils sourcing services above the EU threshold to consider at the pre-procurement stage:

- How the service being procured may improve the social, environmental and economic well-being of an area (e.g. Adur and Worthing Councils boundaries, West Sussex, etc.);
- How such improvements could be secured;
- An obligation to consult on these matters prior to procurement commencing.

This strategy proposes to extend the scope of social value considerations to cover all the Councils' commissioning and procurement activities to ensure the Councils get the best value from the monies spent through commissioning and procurement activities not just in terms of pure financial benefit but through applying whole life costing models across the triple bottom line, delivering social, economic and environmental benefits for the betterment of the local communities, and to deliver the Councils' commitments outlined in *Platforms for our Places: Going Further 2020-2022*.

Incorporating Social Value into our commissioning and procurement processes will require a change in organisational culture and individuals' attitudes by developing a commissioning 'mind set' within the Councils and creating 'intelligent' commissioning and procurement process, being better informed about specific needs and tailoring each project outcomes around those particular sets of needs and circumstances. It is also about being mindful of the suite of potential social benefits we may wish to realise but equally being open to those we may not yet have considered. Ultimately it is about delivering outcomes for the betterment of our communities.

By its very nature Social Value can take many forms, there is no 'one size fits all' approach because every requirement, every circumstance and every community will have different needs and aspirations.

STRATEGIC OBJECTIVES

In fulfilling our duty to secure VFM, the Sustainable Procurement Strategy 2020-2023 seeks to achieve objectives in the following four key areas:

1. Sustainability
2. Contract and Supplier Relationship Management
3. Stakeholder and supplier engagement
4. Procurement service improvement

1. SUSTAINABILITY

The Councils are committed to taking full responsibility for its own impact on the environment and society, both within the local area and across the globe. We recognise that our purchasing of goods and services has sustainable implications and we are actively working towards reducing the negative effects these purchases may cause.

The Councils will fully embed the principles of sustainability throughout its procurement activities to ensure that only value for money products and services are selected. In all cases a balanced consideration of the social, ethical, environmental and economic impacts will be undertaken.

Working with our suppliers is key to delivering the aims of this policy. As such we will monitor and measure their performance, encourage them to conduct their operations in line with the Councils' commitments and embrace continuous improvement.

Procurement Processes

We will:

- Apply a whole life costing approach to major purchases to give a clear understanding of the full impact of purchasing decisions.
- Award contracts on the basis of whole life costs and benefits
- Maintain a suite of procurement documents through the Procurement Toolkit, including sustainability based selection criteria.
- Develop and maintain guidance and training to support and embed the practices of sustainable procurement across the organisation.
- Ensure cooperation between Procurement and Councils officers in other service areas to ensure consistent application of sustainability related practices. We will work closely with colleagues in the sustainability team on this agenda.
- Establish and embed a corporate approach to contract management and contract monitoring to ensure that sustainability-related promises made by suppliers are delivered upon through the lifetime of a contract.
- Where appropriate, design specifications and procurement documents in a manner which allows greater access to opportunities for SMEs.
- Promote the use of E-Procurement throughout the organisation to reduce the use of paper in procurement projects.
- Embed the [Principles of One Planet Living](#) into our purchasing practices.
- Seek to collaborate and/or partner with other organisations in areas where joint contracting may offer mutual benefit and greater purchasing power.

- Use easily accessible digital procurement tools.

Environmental Impact

We will:

- Require suppliers to take action to reduce waste and divert waste from landfill; and promote reuse throughout the supply chain by requesting information on processes during procurements where appropriate.
- Require suppliers to support circular economy principles in their business with considerations to using/making products made from non-virgin, repurposed and local (where possible) materials; products that have minimum waste through smart design and packaging and products that can be easily disassembled and repurposed.
- Require suppliers to reduce and eliminate the use of single use plastics in their service provision and find sustainable alternatives (where appropriate).
- Consider the potential transport requirements associated with any contract and how these may be minimised, whilst encouraging suppliers to minimise the negative impact of their transport operations.
- Commission and procure energy-efficient products and services and encourage suppliers to improve their processes in this area.
- Build a requirement for CO2 reduction into the specification of contracts, where appropriate.
- Require suppliers to commit to mitigating its impact on climate change through supply chain carbon reduction initiatives.
- Require suppliers to demonstrate they are minimising the environmental impacts of their supply chain, choosing more sustainable and high quality products and/or services.
- Consider the risk of negative water impact in specific contracts, with particular focus on waste water and discharges into the water system.
- Require suppliers to seek sustainable alternatives to materials which are scarce or at risk of becoming so.
- Require suppliers to take action in protecting biodiversity that may be affected by their activities.

Social Value

We will:

- Consider social value as part of all procurement projects which will form at least 10% of the overall quality score.
- Consult with service users and other client-side stakeholders to clearly define needs and design methods to meet these needs in a sustainable manner.
- Assess suppliers' awareness and policies in relation to equalities as part of procurement processes.
- Assess suppliers awareness and policies in relation to ethical and fair trade
- Encourage suppliers to consider how they can look after the health and well-being of their workforce.
- Encourage suppliers to support regeneration projects or initiatives in the communities in which they operate.
- Encourage suppliers to take steps to make supply chain opportunities accessible to local SMEs and third sector organisations.
- Encourage suppliers to support employment opportunities for people who may otherwise have difficulty finding employment.
- Encourage suppliers to support apprenticeship schemes as part of their contracts with the Councils.
- Encourage suppliers to support back to work initiatives for long term unemployed and people not in education or training.
- Encourage suppliers to support training and development programmes to up-skill employees.
- Make sure suppliers comply with the National Minimum Wage and the National Living Wage statutory obligations.
- Make sure suppliers comply with social and labour laws, i.e. prevention of modern day slavery, child labour etc.
- Encourage suppliers to support volunteering initiatives as part of their contracts with the Councils.
- Support local businesses, ethnic minority owned businesses, SMEs and third sector organisations.
- Encourage local innovation, i.e. developing and introducing new and improved ways of doing things compared to existing practice, which involves local people and resources in addressing challenges and opportunities.

- Support the Councils in improving local residents' access to healthier lifestyle choices through our procurement activity in parks and open spaces, decent public housing, food inspection and wellbeing services.

2. CONTRACT AND SUPPLIER RELATIONSHIP MANAGEMENT

Contract Management involves the day to day management of the contract - understanding the requirements set out in the contract and ensuring the supplier performs in delivering them. Supplier Relationship Management (SRM) focuses on building a longer term relationship with the supplier, forming common goals and seeking continuous improvement, innovation, and social and added value opportunities for the benefit of both parties throughout the life of the contract.

It is important once a contract has been let that it is effectively managed, especially higher value or more complex contracts to ensure the outcomes detailed in the supplier's tender submission are delivered, risks are identified and mitigated, and cost control is maintained. This will involve obtaining feedback from the client or users of the service, regular meetings with the supplier, gathering data and measuring the supplier's performance against agreed key performance indicators and implementing improvement measures where necessary.

A good contract manager will understand the contract requirements, will have knowledge of their supplier and the market in which they operate and an understanding of the cost drivers within that market.

SRM looks at longer term development of the relationship with the supplier, seeking mutual opportunities for cost and service improvements and innovation. The contract manager will develop an understanding of the key supply chain issues and risks, both direct and indirect, which will assist in early identification of potential issues. There will also be opportunities to benchmark the contract to ensure it remains competitive, and the potential to explore closer working with the supplier including adoption of open book accounting.

3. STAKEHOLDER AND SUPPLIER ENGAGEMENT

Procurement is about securing the delivery of a range of services that meet the needs of a diverse organisation and the population that it represents. Active and positive participation of key stakeholders is essential to the success of procurement activity. In order to make certain it is as inclusive as possible we need to involve the people who use our services in the decision-making process. Our suppliers, small and local as well as large and multinational, need to be engaged with and consulted on ways to improve service design and delivery.

The Councils' Contract Standing Orders provide a clear requirement to comply with this engagement process which is designed to ensure optimal VFM when spending taxpayers' money.

Stakeholders and the wider organisation will be involved (if appropriate) at each stage of the procurement cycle: assessing needs, establishing priorities, designing services, and reviewing performance.

There will be a clear, accessible procurement strategy on the Councils' website, with effective and user-friendly guidance appropriate to all stakeholders, the wider community and potential suppliers.

During the life of the strategy the Councils will:

- Introduce awareness training to all stakeholders throughout the Councils, linking Procurement, Legal Services and Sustainability.
- Create a suite of documents for SMEs & local suppliers
- Hold early supplier consultation for larger contracts to identify market interest and embrace new goods and service delivery techniques in the market.
- Attend Meet the Buyer events to enable face-to-face communication with potential suppliers and make them aware of any forthcoming opportunities.
- Share the organisations contract register on the Councils' website as well as up to date information on how suppliers can provide business to the Councils.
- Encourage registration of suppliers on the electronic tendering system.
- Increase collaborative procurement with external bodies with shared interests
- Fully resource Procurement, Legal & Sustainability stakeholder training
- Promote procurement satisfaction surveys from groups across the Councils and use feedback received to improve service

4. PROCUREMENT SERVICE IMPROVEMENT

In order that stakeholders see an improvement in both quality and VFM, the Councils will exploit technology to improve existing procurement methods and introduce new ones. We can find ways to do the same things better through use of up-to-date technology, and also use the power and capability of technology to introduce new Procurement systems or transform old ones. Regardless of technology however, redesigning our services means we have the potential to deliver them with higher quality or more cost-effectively.

The Councils currently focuses on customer experience of services, and whether they offer VFM. The Procurement Team monitors the delivery of cashable and will, where appropriate, identify and record non-cashable savings to inform the VFM.

We have currently been operating a successful electronic e-sourcing portal In-Tend in which all tenders above £25,000 conducted through.

During the life of this strategy the Councils will:

- Understand the user experience of service delivery and accessibility of services provided
- Identify areas where e-auctions can be used effectively to increase efficiencies and savings
- Generate better links between the procurement of a contract and the subsequent spending against these contracts by incorporating the Councils Contracts Register into the new Financial Management system.
- Review the process of procurement from both supplier and stakeholder perspectives in order to simplify the process
- Investigate opportunities for improvements to the tendering process, including alternative e-sourcing systems
- Stimulate innovation and value for money by encouraging the use of outcome specifications and a mixed supply base, particularly where long term contracts have been in place.
- Investigate e-supplier management
- Investigate the possibility of online contract signing

Adding Value

- Spend analysis – spend analysis is being carried out at the beginning of each financial year to identify key spend categories and suppliers and identify procurement strategies and potential collaboration and saving opportunities.
- Digitalisation – maintain the existing resources available online on the Councils Intranet and public website for the Councils staff and the suppliers; continually review the needs of the Councils and develop new resources if and where required.
- Education and training – provide Councils stakeholders and supplier training and ongoing procurement advice, ensure accessibility of digital toolkits available on the Councils Intranet and public website; review and develop new ways of training and educating Councils' stakeholders.