

Harborough District Council

Corporate Commissioning and Procurement Strategy

2018 - 2021

1. INTRODUCTION

Harborough District Council (HDC) is committed to commissioning services in a way that ensures value for money for its citizens as taxpayers and that ensures that the services they receive as customers are of a consistently high quality. This strategy sets out the way that the Council will undertake commissioning over the next three years to help it achieve its goals for the community of Harborough; it is also intended to enable businesses, partners in the public and voluntary sector and citizens to understand the Council's approach.

Harborough District Council has identified its vision as follows:

“To secure a prosperous future for the people of Harborough District”

And has agreed a Corporate Delivery Plan structured around our 3 priorities:

“The Place: an enterprising, vibrant place”

“The People: a healthy, inclusive and engaged community”

“Your Council: innovative, proactive and efficient”

Harborough District Council has a total annual budget of approximately £12m, a significant proportion of which is used, through commissioning, to procure goods, works and services. The Council is committed to obtain best value from this expenditure, thereby using its resources to deliver key front line services as effectively as possible. It is essential that the Council commissions effectively to manage its resources efficiently.

1.1. Background

1.2. HDC has commissioned services for several years; many of the services that the Council provides to the community are now procured from external providers and a number of important 'back office' functions are shared with other local authorities.

1.3. The Service Manager, Commissioning is responsible for development and implementation of this Strategy. Routine procurement will continue to be the responsibility of service managers but this strategy is intended to ensure that there is more support available; that procurement is undertaken consistently and in compliance with legislation and regulation; and that procurement and contracting

rules are applied proportionately to minimise the bureaucratic burden upon managers.

1.4. Purpose of the Strategy

1.5. This document is intended to provide a framework for the full range of commissioning activity carried out across the Council and to ensure that commissioning complies with relevant legislation, the Council's own rules and supports the achievement of its strategic objectives.

1.6. This Strategy is neither intended to serve as a Procurement Manual nor to provide detailed guidance for officers commissioning and procuring goods and services; the Council's Statement of Required Practice (SORP) is published on the HDC Intranet to provide such guidance.

1.7. Commissioning and procurement is subject to scrutiny within the Council and potential external challenge.

1.8. The objectives of this Strategy are:

- To ensure that commissioning and procurement within the Council is consistent and of a high standard.
- To ensure that the Council achieves value for money and that the needs of customers are met;
- To align commissioning and procurement strategy with other strategies adopted by the Council and to ensure that corporate objectives are delivered;
- To ensure that current and future commissioning is planned, monitored and reviewed effectively;
- To encourage growth in the local economy through effective engagement with local businesses;
- To develop a more sustainable environment and community;
- To support work with partners, in both public and private sectors, in order to deliver more effective and efficient services.

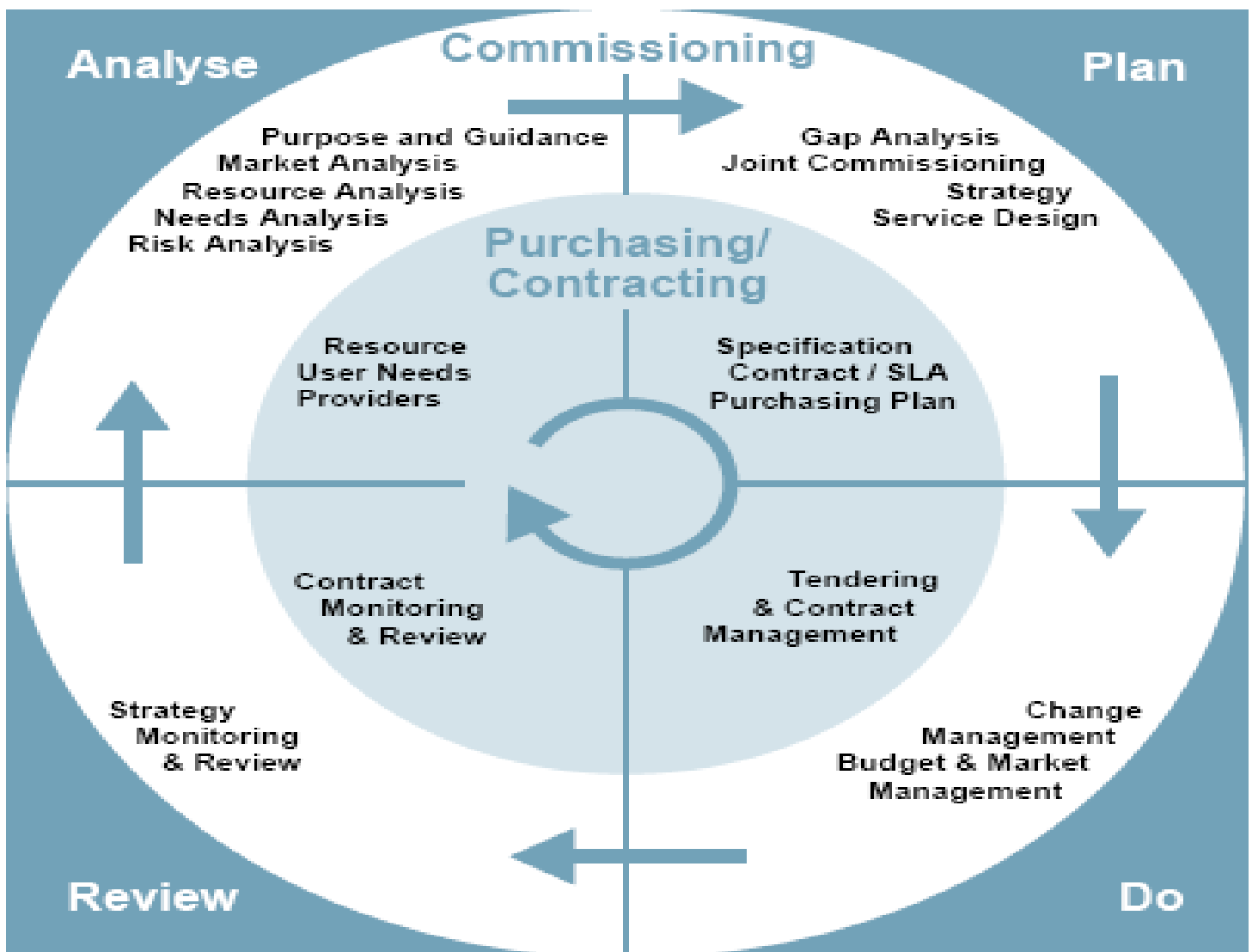
1.9. This strategy is intended to help the Council to achieve:

- Improved value for money;
- More efficient commissioning and procurement;

- Better understanding of expectations amongst officers and members;
- Improvements in procurement outcomes;
- More effective partnerships with suppliers / service providers;
- Improved risk management;
- Promotion of social benefits and equality of opportunity for service users, service providers and staff;
- Improved project planning and management;
- Integration with and contribution to Council's overall objectives and business delivery plans;
- A more sustainable local business community.

1.10. Definitions

1.10.1. **Commissioning** is the means by which organisations assess and understand needs and design, purchase and support the delivery of services; the commissioning process is usually described as a cycle, as illustrated by the diagram below:



The four stages of the commissioning cycle are:

- Analysis of needs, resources, markets and risk.
- Planning of services to use available resources to meet needs.
- Acquiring the services specified from across the market (procurement)
- Monitoring and review of services contracted to ensure that they meet needs and provide value for money.

1.10.2. **Procurement** is the process of acquiring goods, works and services; it is a crucial stage of the commissioning cycle and includes the design and administration of tenders and quotation processes. Procurement also describes purchasing where costs and risks are low, for example, buying stationery, arranging printing services or securing small scale provision of works. This does not usually require the same degree of planning and analysis is referred to in this document as 'Routine Procurement'.

1.10.3. **Service categories;** in this document, 'back office' refers to all functions which do not involve direct delivery of services to the public; 'back office services' would therefore include financial, legal, administrative, HR, commissioning, contract management and some communications services. HDC direct services to customers include, waste management, leisure, regulatory services, planning, cultural services, community services and revenues and benefits.

2. COMMISSIONING AT HARBOROUGH DISTRICT COUNCIL

2.1. **General Principles** The following principles will apply to all commissioning activity undertaken at Harborough District Council:

- Commissioning will seek to secure value for money for the Council and all the communities that it serves. Value for money is not necessarily achieved simply by reducing costs. It is also a measure of quality, and sometimes paying more for better services or goods will be justified.
- Commissioning is an integral part of the Council's work: it is not a separate activity and there is no separate budget for commissioned services.

Commissioning is a means by which all service areas within the Council will achieve their objectives.

- Commissioning will be transparent and fair; it will be conducted in a way that enables the community to understand the Council's processes and decisions; and that ensures all potential providers are able to compete on an equal footing for Council business.
- Commissioning at HDC will be compliant with Procurement law, the Public Contract Regulations 2015 (PCR) and the Council's own constitution. This will protect the Council from the consequences of legal challenge.
- Commissioning activity will be proportionate and will seek to minimise the administrative and bureaucratic burden on service managers and other staff.
- Commissioning will be subject to scrutiny by elected members of the Council.
- Commissioning will be planned in advance to ensure consistency and effectiveness.
- Commissioning will secure service continuity and resilience,
- Commissioning will support the policy aims of the Council such as engagement with communities, environmental sustainability, fair trade and making the District a good place to do business.
- Procurement will be undertaken using an electronic system ('E-tendering') as required by the PCR; the Council's system will be used to maintain records of all procurement activity and to record and manage contracts through the Contract Register in compliance with requirements for transparency.

2.2. Role of the Service Manager, Commissioning The Service Manager, Commissioning is responsible for

- The development, implementation and review of this strategy.
- Providing advice about commissioning and procurement to colleagues across the Council and supporting them in their work where it involves commissioning.
- Acting as the lead officer for agreed projects.
- Developing, maintaining and monitoring relevant systems, procedures and standards to ensure that the objectives of the strategy are achieved.

2.3. Role of service managers Service managers are responsible within the HDC management structure for decisions to explore external provision of services, works and goods and for identifying service requirements; they will retain responsibility for budget decisions, contract management and operational matters. It is not the role of the Service Manager, Commissioning to take over the role of service managers, but to support them in achieving their priorities and to ensure that these are delivered in compliance with the Council's obligations. Commissioning within HDC will be a collaborative process that is shaped by the specialist knowledge and expertise of service managers and other officers as well as the knowledge of the Service Manager, Commissioning.

2.4 The Commissioning Plan The Service Manager, Commissioning will be responsible for drafting and review of a commissioning plan for the Council; the plan will identify all future commissioning and procurement activity and will support the implementation of this strategy by ensuring that decision-making is timely, that procurement processes are properly planned and that adequate time is allowed for consultation and engagement with customers, communities, members and officers. The commissioning plan will be reviewed every three months and will be integrated with the Council's performance management framework.

2.5 The Contracts Register The HDC contracts register will support effective commissioning by providing a single, authoritative source of information about contracts held by the Council to ensure that the Commissioning plan is comprehensive. The contracts register is also an important document for contract management; the contract register will be maintained the Service Manager, Commissioning in consultation with Legal Services.

2.6 The Procurement SORP The Statement of Required Practice (SORP) for procurement will bring together guidance on the Council's statutory obligations and its own contract rules as part of the HDC constitution; it will provide clear advice about decision-making for HDC staff who have responsibility for commissioning and procurement; it will serve as a 'toolkit' that can be used to ensure consistency in procurement whilst minimising the administrative and bureaucratic burden on officers; and it will enable partners, providers and the public to understand the Council's approach to procurement and ensure its credibility.

3. THE COMMISSIONING PROCESS

3.1. **Legal Framework** The Council's legal obligations when commissioning and procuring goods, works and services will vary; commissioning is subject to the PCR 2015 and failure to comply with their requirements can put the Council at risk of costly legal action and punitive fines. All decisions must be transparent, objective and recorded through a process that can be audited. The PCR stipulate different requirements for different types of procurement and different types of service.

3.2. Where the requirements of the PCR are limited (because of the value of the procurement involved), the Council's own rules and other legal and regulatory obligations will still be relevant and must be observed.

3.3. The Procurement SORP provides guidance and support to enable HDC staff to ensure that commissioning and procurement are lawful and compliant; the Service Manager, Commissioning should be consulted at an early stage in planning and can advise and support staff involved in commissioning; this support may include consulting with other key services such as Legal Services and Human Resources when necessary. It is particularly important that attention is paid to Her Majesty's Revenue and Customs requirements for off-payroll working through an intermediary (IR35).

3.4. **Types of procurement: quotations and tenders** The Council will use a variety of methods to procure goods, works and services. These include:

3.4.1. Tenders, which are competitive, open to all providers, and follow a formal process, including advertisement, that may or may not require compliance with PCR.

3.4.2. Invitations to quote, where the Council approaches a limited number of providers directly.

3.4.3. Framework agreements, which are arrangements allowing the Council to access (or 'call off') goods, works and services from a pre-selected range of providers that have entered an agreement on a national or regional basis to supply. The Council may undertake a selection process ('mini-competition') to select one of the eligible providers.

3.5. The choice of procurement method will depend on the value of the contract, nature of the items to be procured and the market; the Procurement SORP provides guidance in making this decision, and the Service Manager, Commissioning is able to advise on the appropriate method.

3.6. Whichever method of procurement is chosen, the process will be followed consistently and in compliance with the Council's legal and other obligations.

3.7. **Planning and analysis** Good planning is a vital element of good commissioning; it should begin early, to allow ample time for consultation with stakeholders and 'contingency time' in case of unexpected delays. Analysis of need, operational considerations, risk and dependencies is also critical and will determine the success of commissioning activity in achieving quality and value for money.

3.8 **Designing specifications** Similarly, ensuring that specifications for the goods, works or services to be procured reflect the Council's needs accurately is essential; procurement requires effective communication between the Council and prospective providers, and the specification is a crucial element of this communication process. Specifications will be drafted through collaboration between the Service Manager, Commissioning, and officers from the relevant service areas; the technical expertise and knowledge of the latter will always be of the greatest importance during this process. When designing specifications it is essential that the particular characteristics of the district of Harborough are considered and inform decision making to ensure that the Council meets the needs of the communities that it serves. These include:

- The rural nature of the district and in particular:
 - population sparsity
 - relative isolation of some communities.
 - concentration of population in towns and villages.
 - The distance between population centres.
 - isolation of some individuals.
- Demographic characteristics, such as the relatively high proportion of older people.
- Economic characteristics, such as the diversity of local labour markets and business communities.
- The need to ensure services are designed and delivered in ways that are fair and accessible to residents across all localities within the district.

3.9 **Outcome focussed commissioning** In some circumstances, it may be more sensible to 'commission for outcomes' rather than to describe the kind of provision to

be procured in specific detail; this may be the case if knowledge of the market within which the Council is commissioning is limited, or if there is an opportunity to foster innovation by allowing providers freedom to meet needs in new ways. For example, the Council might identify an outcome such as 'engaging disaffected young people in sport' or 'increasing household recycling rates' *without* indicating the precise nature of the service to be procured. This allows providers to offer different solutions that the Council may not have been aware of and which may offer better value for money and quality.

3.10 Evaluation of provider responses It is important that responses from providers are evaluated rigorously through a pre-agreed framework that is transparent and measures the ability of the provider to deliver the Council's requirements accurately. The chosen method must be fair and must be applied consistently, with proper recording of the decision-making process. This is important both for audit purposes and because the Council may need to justify its decision in the face of challenge by an unsuccessful provider. This principle will apply equally whether the chosen method of procurement is a tender, invitations to quote or estimates process or 'mini-competition' to select from a framework agreement. In most cases, a panel, including the Service Manager, Commissioning, responsible service manager and, if appropriate, customers and/or elected members, will evaluate submissions. The criteria for evaluation of provider evaluation will usually include:

- price, including whole life cost;
- quality;
- skills;
- The criteria may also include:
 - shared risk / reward;
 - staffing issues including TUPE arrangements;
 - environmental impact;
 - equality considerations;
 - safeguarding vulnerable children and adults;
 - health and safety requirements;
 - compliance with other legislative, regulatory and policy requirements.
- The particular characteristics of the district of Harborough (see 3.8

above) where relevant.

3.11 Negotiating contracts The Council's terms and conditions and specification for any goods, works and services should usually be agreed before the procurement begins, although there may be exceptions; if this is the case, and if contracts are open to negotiation after the preferred provider has been identified, it should be made clear to all potential providers when the tender or invitation is published. The key principle is that no provider should be disadvantaged relative to others, and the Council should make it explicit if it is reserving the right to negotiate after the evaluation. The Service Manager, Commissioning will usually negotiate and confirm the contract, and manage the signing process, with advice from Legal Services and in collaboration with the responsible service manager. The Council's rules for letting contracts must be followed at all times.

3.12 Project Management Procurement, especially when it involves larger or more complex projects should be conducted within the Council's project management framework, with clearly defined responsibilities and plans that identify targets, milestones, timescales and resources required for successful completion. The project management framework will vary according to the nature of the project will be proportionate to the risks and benefits identified.

3.13 Contract Management Effective management of contracts awarded by the Council is essential to ensure that the outcomes that have been identified through the commissioning process and the Council's objectives are achieved; performance indicators (PIs) should be incorporated into contracts as a measure of performance and to encourage continuous service improvement. The Council should establish and maintain an expectation that information provided by contractors is provided timely, accurate and will be tested for reliability. The Council may require a contractor to adopt a Data Quality Policy and / or enter into an Information Exchange Agreement. This may include requirements for management of personal data and intellectual property and copyright matters. The Council will also, where appropriate, check the information it holds with customers, partners and / or service users, in order to keep its information accurate.

3.14 Service Review Commissioned services should be reviewed where circumstances any of the following apply:

- The current contract date is nearing expiry.
- There is a need to improve performance.
- It is unclear whether a service is still required or whether its contribution is as effective as it could be.
- There is a clear and proven case for a new service or a different way of providing an existing service.
- There is evidence that the costs of a service are significantly different to those of comparable services in other authorities.
- There is a clear opportunity to work with other authorities to deliver common services.
- There is an organisational desire to do so.

Service reviews will include consideration of new and innovative ways of delivery and involve challenge to current practices. They will involve research into available delivery options in the market, including working with others and current best practice; they will include engagement with other organisations to learn from best practice. Where appropriate, an options appraisal will be conducted, to address:

- Cost;
- Service quality;
- Risk;
- Timescales;
- Funding;
- Practicality;
- Legal / Statutory requirements.

Not all service reviews will lead to commissioning activity (for example, it may lead to a decision to deliver the service 'in house' or to discontinue it); if the decision is taken to commission a service, however, an appropriate plan will be agreed.

3.15 Partnership Working The Council is committed to working with public, private and voluntary sector organisations to develop better services and to make the best use of available resources. The Council already shares services with several other Councils and commissions and procures goods, works and services in collaboration with them; methods of joint commissioning and procurement include:

- Delegation of procurement to other authorities that provide services on behalf

of HDC;

- Pooling of budgets to allow a single procurement exercise in support of jointly agreed outcomes;
- Alignment of commissioning (separate procurement exercises that serve to achieve complementary outcomes).
- The Council will continue to explore opportunities to work in partnership and achieve benefit from sharing resources, skills and expertise through its commissioning activity.

3.16 Routine Procurement Routine Procurement consists of purchasing where costs and risks are low. It accounts for a significant proportion of the Council's expenditure when aggregated across the whole range of Council services and is devolved to individual departments. It is essential that there is sufficient flexibility to allow managers to assess and secure the provision necessary for their requirements. It is also important that procurement guidance is proportionate to the costs and risks associated with the goods, works and services to be purchased: value for money is not best achieved if the process required to find the lowest price is so onerous that the cost of the procurement exceeds the savings made. Nevertheless, it is important that routine procurement is compliant with HDC rules and the Council's obligations and that there is sufficient coordination and control to allow good practice to be shared, benefits to be accrued from economies of scale, and potential improvements to be identified and achieved. The Procurement SORP provides guidance for officers involved in routine procurement and advice is available from the Service Manager, Commissioning if required.

3.17 Purchasing Guidelines The Council's purchasing guidelines are currently contained within the Finance and Contract Procedure Rules which form part of the Constitution and are available on the Intranet.

3.18 Framework agreements The Council makes extensive use of framework agreements negotiated by regional and national consortia such as Eastern Shires Purchasing Organisation (ESPO) and Crown Commercial Service ('CCS'). Such arrangements can minimise the work involved in routine procurement and help the Council to secure value for money. The Service Manager, Commissioning is able to advise on framework agreements that are available and on how to use them.

3.19 Consortia and Joint Arrangements HDC will explore opportunities to

undertake routine procurement in partnership and to share expertise, realise administrative efficiencies, and economies of scale for mutual benefit. Such opportunities may include joint procurement with other public sector partners, as well as with other local authorities; the aim will be to increase the efficiency and resilience of Council services.

3.20 Quotations Where it is determined that a tender process is not appropriate, and if a suitable framework agreement is not available for an officer procuring goods, works and services, quotations may be obtained and used to select a provider. The Procurement SORP describes the process required and the Service Manager, Commissioning is able to advise as necessary.

4. LEADERSHIP AND RESPONSIBILITY

4.1. Internal Roles All HDC staff share responsibility for implementation of the Commissioning Strategy and compliance with the rules contained in the Procurement SORP; contract management is also a shared responsibility. The Service Manager, Commissioning will have oversight of the Strategy and its practical application.

4.2. Training and Development For HDC is to be an effective commissioning council requires that:

- All staff understand commissioning and procurement and its role in achieving value for money and quality of service;
- Staff responsible for commissioning and procurement have the skills necessary to carry out the work required;
- Staff understand the importance of compliance with the Procurement SORP but also the flexibility allows; following the rules must not become unduly burdensome.
- Staff are able to identify and obtain advice and support easily and quickly when required.
- Staff are able to draw on the capacity of the Service Manager, Commissioning to ensure that the requirements of the Strategy are met.

4.3. The Service Manager, Commissioning will develop a training programme for HDC staff that have responsibility for commissioning and procurement; this will include project and contract management, competency in appraising suppliers, carrying out negotiations and risk management. It will complement the Procurement

SORP and will be designed to build confidence as well as develop skills,

4.4. **External Roles** HDC will seek external support to enable delivery of this Strategy where this provides value for money and opportunities for service improvement.

4.5. **Shared Services.** The Council already works with other local authorities to share and jointly provide services and will develop further initiatives to collaborate and share services where this offers benefits.

5. RISK MANAGEMENT

5.1. **Applying Risk Management Principles** All procurement should be subject to the identification and quantification of risk prior to contract formalisation so that risk managed effectively. For high value procurement (or where a risk assessment deems it necessary), a financial evaluation of interested providers will be undertaken to confirm that their financial position is sufficiently robust to meet the contract requirements.

5.2. Risk identification and assessment will also be incorporated into Service Planning and risks arising from procurement should be considered as part this process. The benefits and opportunities that may arise will need to be analysed in order to balance such opportunities against the risks. This will ensure that commissioning and procurement decision-making does not expose the Council to unnecessary or unacceptable risks.

5.3. **Insurance** When contracting with third parties it is important to ensure that they have adequate provision to deal with unforeseen events. There are liabilities associated with the supply of goods or services that should be retained and insured by the supplier. As a minimum, any contracting third party with the Council should usually hold the following liability insurance provision:

- Public Liability Insurance
- A minimum indemnity limit of £5M for any single event or series of events arising from the same cause.
- Products Liability Insurance
- A minimum indemnity limit of £5M for any single event or series of events arising from the same cause.
- Employers Liability Insurance

- A minimum indemnity limit of £10M for any single event or series of events arising from the same cause.
- Professional Indemnity Insurance
- A minimum indemnity limit of £2M in the aggregate for all claims made in any 12 month period of insurance.
- Where a provider does not hold the levels of insurance indicated above, the Service Manager, Commissioning should be consulted and a risk assessment undertaken to determine the level of insurance appropriate for the contract being procured. Exemption from these requirements may be agreed if assessment suggests that they are disproportionate.

5.4. **Health and Safety** Health and Safety considerations must be included as part of the risk identification process, The Council's Health and Safety policies and procedures must be observed, particularly in the supply of services, and items purchased must meet appropriate Health and Safety requirements / standards.

5.5. During any procurement process, the Council will seek information from potential providers about their general competence, track record, and details of prohibition and improvement notices relating to Health and Safety legislation.

5.6. **Safeguarding vulnerable people** HDC has an obligation to ensure that children and young people and vulnerable adults are protected from risks that may arise through its commissioning and procurement; if the provision of goods, works and services involves direct contact with children and young people and vulnerable adults, or access to data about them, the contractor must be able to supply current safeguarding policy and procedures and, if required, provide evidence that these are observed. The HDC officer responsible for the contract must check the contractors' Safeguarding policy and procedures. If no policy exists, the provider must agree to comply with HDC policy and procedures – at their own cost. Advice and support is available to HDC staff from the Lead Designated Safeguarding Officer at HDC. Where the provision of goods, works and services does not involve direct contact with children and young people and vulnerable adults, or access to data about them, consideration should still be given to the Council's Safeguarding policy and procedures and appropriate provision made if necessary during the procurement process.

6. EMPLOYMENT MATTERS

6.1. Employee Consultation If commissioning and procurement activity affects HDC staff, staff representatives will be kept informed and invited onto the relevant Project Teams and evaluation panels as appropriate. Wherever possible, employment considerations will be built into procurement processes and contracts.

6.2. Transfer of Employees Where external provision of a service that is currently provided 'in house' ('outsourcing') is commissioned, the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) will be applied rigorously and consistently. There will be no transfer to any other organisation unless the Council is satisfied that the prospective employer is sound.

6.2.1. Where TUPE regulations may apply, the Council will provide interested providers with accurate and timely information on all relevant matters. Interested providers will be expected to demonstrate that they understand and have the capacity to manage their obligations under TUPE, with no detriment to the terms and conditions of transferred employees arising from the transfer.

6.2.2. Contractors selected to provide services to the Council and to take on former staff should also provide evidence of commitment to good practice in employment, workforce communication and consultation.

6.2.3. The Council will seek to provide protection of the pension rights of transferring staff. The Council will expect employers to either seek admitted body status (where eligible) to the Local Government Pension Scheme or to offer membership of an alternative scheme that is certified as being broadly comparable. Negotiations to resolve the issue of pensions shall take place at an early stage in the process and shall be open and transparent.

6.3. 'Third Party TUPE' HDC may have more limited responsibility relating to TUPE when there is a potential change of external provider; although in this instance, HDC staff will not be affected, employees of the current provider may have rights under TUPE; the Council will wish to see these rights respected and maintained, and it is also in the Council's interests that potential providers fully understand their potential commitments so that they can assess costs and risks accurately. The Council should therefore facilitate the provision of accurate, relevant information about the potential rights of employees affected, and their terms and conditions of employment to all interested providers. It is important that information

relating to TUPE obligations is made available in a manner that is fair and transparent and that does not give undue advantage to any incumbent provider.

7. THE COMMUNITY RIGHT TO CHALLENGE

7.1. The Community Right to Challenge The Community Right to Challenge (CRtC) was introduced as part of the Localism Act 2011 (the Act) and came into force on June 27th 2012. The CRtC gives citizens the right to challenge the Council to allow them to take over delivery of local services. 'Relevant bodies' have the right to express an interest in running a service currently delivered by or on behalf of Harborough District Council. A 'relevant body' may be:

- A voluntary or community body;
- A body of persons or a trust which is established for charitable purposes only;
- A parish council;
- Two or more employees of the relevant authority (Harborough District Council);
- Any other person or body specified by the Secretary of State by regulations.

7.2. The Council may reject a challenge under this legislation; if it accepts the challenge, it will trigger an open procurement exercise. This means that the relevant body that triggers the procurement exercise may not eventually secure a contract to provide that service. The procurement exercise must comply with procurement law and the Council's procurement rules.

8. SUSTAINABILITY AND LOCAL REGENERATION

8.1. Sustainability The Council is committed to promoting environmental, economic and social sustainability; from an early stage in any commissioning or procurement activity, sustainability should be addressed. Officers should seek to identify any scope to deliver environmental, economic and social benefits through the proposed contract and work to reduce any negative impact that it might involve.

8.2. Green Procurement The environmental impacts of procuring goods and services are deep and wide ranging and are of direct and immediate concern to the Council. The early consideration of environmental impact, including 'whole life costs' may result in a differing requirement providing better value for money. The Council will assess environmental impacts as part of its procurement processes, where these are relevant and will require potential suppliers to identify the environmental

impacts of the goods, works and services that they supply. Questions to be included in tender and quotation processes may include:

- Does the organisation have an environmental policy?
- Does the organisation have an environmental management system in place?
- Has the organisation compiled an environmental effects register?
- Does the organisation have an environmental action plan to reduce adverse impact on the environment?
- Does the organisation have any unspent prosecution in relation to environmental legislation?

8.3. Responses to questions will be used to consider both the environmental risk and risk to the Council's reputation. Wider costs and concerns such as reducing the potential for long term pollution should be considered when the specification is drafted. The Council will promote the key principles "reduce, reuse, recycle and rethink".

8.4. Suppliers may be required as part of the procurement process to explain how they will meet or exceed the specification for works and services on the following criteria:

- materials used in manufacture;
- Reduction of energy used during manufacture;
- Disposal of goods and the use of energy and water;
- Generation of waste;
- Pollution and protection of the natural environment.

8.5. **Sustainability standards** The Council may elect from time to time to adopt specific standards or pledges relating to sustainable procurement .

8.6. **Local Regeneration and supporting Local business** HDC recognises that as a major buyer of goods and services, the decisions it takes in awarding contracts will have an effect on the local economy and local communities. However, the Council must also act within a legislative framework, particularly in regard to the non-discrimination and competition requirements. The Council is committed to maximise the benefits to the local economy of its procurement decisions; to achieve this, the Council will:

- Analyse the Council's current spending patterns,
- Take available measures to maintain local spend;
- Ensure that procurement practice enables local providers, especially Small and Medium Enterprises (SME's), to compete for Council contracts.
- Engage with local business through organisations such as the Federation of Small Businesses and Chamber of Commerce.
- Offer support, advice and training to local providers to enable them to compete for Council business.

8.7. The Council recognises that local suppliers and (SMEs) generally are not able to compete for every contract opportunity. HDC will therefore develop an approach to encourage tenderers for large contracts to work with the local supply chain to increase the local economic benefits of the contract.

8.8. HDC will encourage a diversity of suppliers to compete for its contracts to promote a competitive marketplace. The Council recognises that smaller suppliers and those in the voluntary and community sectors can often offer innovative approaches.

8.9. **The Public Services Social Value Act 2012** The Public Services (Social Value) Act 2012 requires local authorities to 'have regard to economic, social and environmental well-being' in connection with public services contracts. The Act states that the authority must consider how any procurement might improve the economic, social and environmental well-being of the relevant area (the district) and how in the process of the procurement it might act with a view to securing that improvement. The Act emphasises that the authority must consider only matters that are relevant to the procurement and in doing so to act in a way that is proportionate. The Act applies only to public services contracts, not to works or supplies contracts. The HDC approach to the requirements of the Act is incorporated into the Procurement SORP.

9. EQUALITIES IN PROCUREMENT

9.1. **Equalities** The Council is committed to promoting equality through its commissioning and procurement; it is also required to comply with the general and specific equality duties under the Equality Act 2010. It is expected that any provider working for and on behalf of the Council, or any organisation receiving

grants from the Council, will be able to demonstrate its compliance with all current legislation as an employer. The legislation includes:

9.2. Providers must ensure that all individuals or organisations providing, receiving or benefiting from the service are treated fairly and without discrimination, either directly or indirectly; providers must also ensure that discrimination on the grounds of any of the protected characteristics defined by legislation is prevented.

9.3. During procurement processes the Council will seek information about the general competence, track record, details of criminal offences and acts of misconduct in relation to equalities legislation. The Procurement SORP will describe the Council's requirements and the Service Manager, Commissioning is able to advise as necessary.