

# **TONBRIDGE & MALLING BOROUGH COUNCIL PROCUREMENT STRATEGY**



October 2017

## Contents

Procurement Strategy	
1. Introduction.....	3
2. Structure and Responsibility.....	3
3. The Council's Corporate Strategy .....	3
4. Key Aims of the Procurement Strategy .....	4
5. Procurement Principles .....	4
6. Safeguarding of Adults and Children.....	5
7. Supplier Management .....	6
8. Economic Issues .....	6
9. Environmental Issues .....	6
10. Equality Issues .....	7
11. Social Value Issues .....	7
12. Major Procurement Projects.....	7
13. Collaboration .....	7
14. Partnering.....	8
15. E-Procurement .....	8
16. Competencies and Development .....	8
17. Risk Management .....	8
18. Implementation.....	8
Annex A	
Procurement with Small and Medium-sized Businesses, and Voluntary and Community Organisations Policy Statement	
1. Introduction.....	9
2. Legal Issues .....	9
3. Guiding Principles .....	9
4. The Benefits of Working with SMEs .....	9
5. The Benefits of Working with VCOs .....	10
6. The Small Business Concordat .....	10
7. The Borough Council's Commitments.....	10
Annex B	
Sustainable Procurement Policy Statement	
1. Introduction.....	12
2. Guiding Principles .....	12
3. Benefits of Sustainable Procurement .....	12
4. Achieving Sustainable Procurement .....	13
Appendix 1	
Environmental Questionnaire .....	15
Annex C	
Social Value Policy Statement	
1. Defining Social Value .....	18
2. The Legal Issues .....	18
3. The Council's Approach to Social Value .....	19
4. Including Social Value in the Council's Procurement Processes .....	20
5. Monitoring, Measurement and Review.....	20

## Procurement Strategy

### 1. Introduction

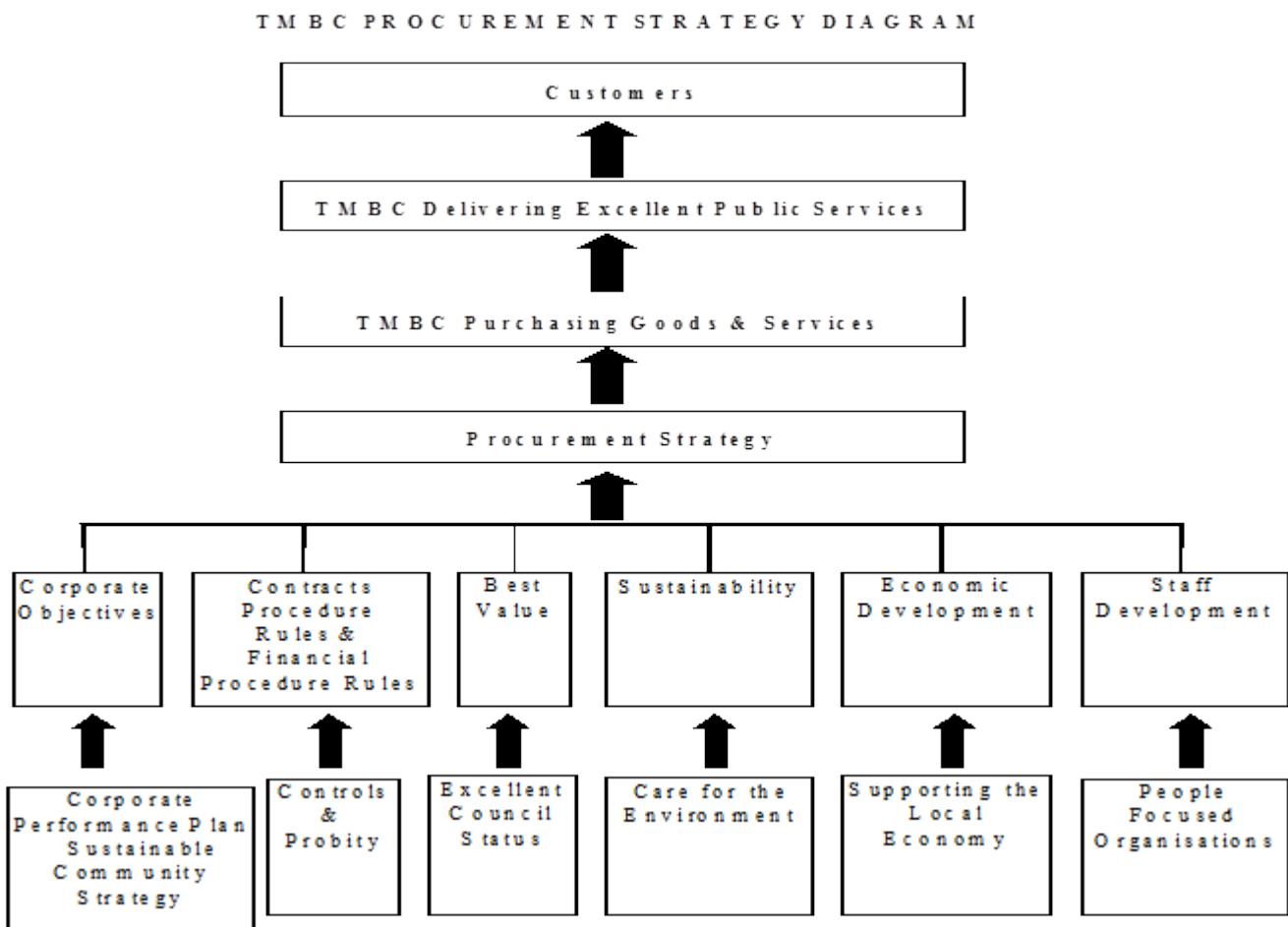
- 1.1. This Strategy seeks to ensure that good procurement practice is applied consistently throughout Tonbridge & Malling Borough Council. It sets out how we address procurement and establishes its importance to the Council and the contribution it can make to improved service delivery.
- 1.2. Procurement is an essential element of cost-effective and efficient services and can be defined as follows:  
“Procurement is the process of acquiring goods, works and services covering both acquisitions from third parties and from in-house providers. The process spans the whole cycle from identification of needs through to the end of a service contract or the end of the useful life of an asset.”

### 2. Structure and Responsibility

- 2.1. The responsibility for Procurement in Tonbridge & Malling Borough Council rests with the following positions:
  - Member Level – Cabinet Member for Finance, Innovation and Property
  - Management Team Level –the three Statutory Officers
  - Head of Service Level – All Directors in respect of Procurement within their own Directorate
  - Officer Level – Officers appointed within each Directorate to be responsible for Procurement

### 3. The Council's Corporate Strategy

- 3.1. The Borough Council's Corporate Strategy sets out the following four key values:
  - Adopting a more commercial approach
  - Promoting fairness
  - Embracing effective partnership working
  - Valuing our environment and encouraging sustainable growth.
- 3.2. In particular, the Corporate Strategy requires the Council to seek a reduction in costs when service contracts are renewed and re-tendered and that those undertaking procurement look at ways in which services can be delivered more efficiently to help meet the Council's adopted savings targets.
- 3.3. The strategic framework for procurement can be illustrated by the attached diagram. This shows the policies and rules that affect and inform procurement.



#### **4. Key Aims of the Procurement Strategy**

- 4.1. The overall aim of this Strategy is to ensure fair and transparent procurement procedures are adopted which lead to effective procurement choices and decisions that provide the best possible services to the community in realisation of the Council's corporate aims and objectives.
- 4.2. In addition, the Strategy seeks to achieve the following specific objectives:
  - To provide a clear message on how to improve service delivery and provide value for money through better procurement practices.
  - To reinforce the requirement for procurement to reflect the Council's core values and corporate objectives and aims.
  - To secure commitment to good procurement from Members and officers at all levels of the organisation.
  - To describe the key policies for procurement.
  - To raise awareness of the scale and impact of procurement activity and its potential contribution to service delivery.
  - To ensure that the way the Council undertakes procurement is innovative, challenging and effective.
  - To provide a framework within which the Council can seek to realise efficiency gains and/or savings.
  - To embed procurement in key strategic reviews.

## **5. Procurement Principles**

- 5.1. The Strategy recognises that different models and approaches will be required for the different markets that the Council does business with. These are based on an awareness of the relative risk, complexity and value of each such procurement. The Council will apply the following set of guiding principles to ensure consistency in all of our procurement activity:
- 5.2. Ensure the principles of fairness, openness and transparency are applied to all our procurement activities.
- 5.3. Seek to gain maximum mutual advantage and continuous improvement in relations with suppliers.
- 5.4. Consider the potential for innovation, the management and balance of risk and the opportunity for new or alternative methods of service delivery.
- 5.5. Seek to work with others whenever appropriate, including strategic partners, public sector agencies and consortia, to:
  - maximise purchasing power;
  - harness knowledge; and
  - achieve economies of scale.
- 5.6. Incorporate sustainability, equality, social value, quality and safety as important criteria in addition to cost, in the provision of all services procured.
- 5.7. Operate within the framework determined by EC and UK law and the Council's own adopted Financial and Contract Procedure Rules, in that order of precedence.
- 5.8. In all dealings, Members and officers will preserve the highest standards of honesty, integrity, impartiality and objectivity.
- 5.9. Utilise competition as a means of achieving economy, efficiency and effectiveness, wherever appropriate and seek to ensure that our procurement methods contribute to the continued competitiveness of suppliers, contractors and service providers.
- 5.10. Seek to provide value for money in terms of whole life costs, that is all aspects of cost including running costs and the cost of disposal as well as the initial purchase price
- 5.11. Ensure that the workforce is adequately protected when it is affected by procurement. This will be achieved by consulting all employees and their respective trade unions.

## **6. Safeguarding of Adults and Children**

- 6.1. Tonbridge and Malling Borough Council is committed to working in partnership with others to safeguard children, young people and adults at risk from all detectable forms of abuse, neglect or exploitation. The Council's Safeguarding Policy aims to:
  - raise awareness of the duties and responsibilities for children, young people and adults at risk of harm,
  - encourage good practice amongst staff, elected members, volunteers and contractors, to safeguard children and adults at risk who receive Council services,
  - provide clear guidance on the procedures to be adopted if it is suspected that an adult, young person or child may be at risk of harm.
- 6.2. The Council is committed to ensuring that organisations providing services on its behalf do so in a way that safeguards and promotes the well-being of children, young people and adults at risk. Where applicable, the Council will require service

providers to have their own policy for the protection of children and vulnerable adults in place and to demonstrate how this policy will be taken into account as part of individual contracts. Up to date DBS checks for relevant employees or sub-contractors will also be required.

## **7. Supplier Management**

- 7.1. The Council will endeavour to provide all potential suppliers, who meet our stated criteria, with an equal opportunity to be aware of our needs and to express interest in supplying goods/services to the Council. In certain circumstances, the Council may not expose an opportunity to competition, for instance, where there is an existing Framework Contract already set up which meets the Council's requirements for goods works or services which can be called off under those arrangements or where a very specialised service is required and there is only one or two possible suppliers or where a part is required for an existing piece of machinery which can only be sourced from the original manufacturer. These and similar situations are addressed in the Council's rules and procedures and require to be validated by three senior officers.
- 7.2. The Council will consider the impact on markets of the way we package services. Whenever possible we will package contracts so as to:
  - encourage the widest possible interest in them;
  - make them as attractive as possible to all sectors of the market;
  - provide the highest quality of service to end-users; and
  - make the best savings possible on the cost of the service provision.
- 7.3. Payment of suppliers will be managed in accordance with the Prompt Payment Code to which the Borough Council is a signatory. We will endeavour to pay suppliers within 10 days of receipt of a valid invoice.
- 7.4. The Council will seek to encourage contractors, service providers and suppliers (and their supply chains) to reduce cost and continuously improve performance. Appropriate standards and/or targets will be included in contracts.
- 7.5. For high value and/or high-risk contracts we will dedicate resources and time into ensuring that organisations working with the Council positively contribute to the aims of the Council's Corporate Strategy.
- 7.6. In letting contracts we must ensure that ongoing management and monitoring is structured into our approach. We will endeavour to ensure that all contracts are properly managed and monitored with a view to achieving completion of the service, works or supply on time, within budget and to the appropriate standards of quality.

## **8. Economic Issues**

- 8.1. Tonbridge & Malling Borough Council is committed to promoting a strong local economy. It is also committed to providing high quality information and advice to local businesses (particularly small and medium enterprises), voluntary and community organisations, to help them to win and retain contracts or to take part in the supply chain.
- 8.2. We will ensure that information on how to access opportunities is widely available to ensure local businesses and voluntary bodies have a full opportunity to undertake work for the Borough Council. Involving voluntary agencies will be guided by the terms of the Kent Compact that sets out the Council's commitment to working in partnership with that sector. Where possible we will work with other agencies, within and outside the Borough, to encourage/promote business development opportunities for the local economy. Our more detailed policy setting out how we will

promote procurement activity with small and medium sized business and local voluntary sector bodies is attached as Annex A to this Strategy.

## **9. Environmental Issues**

- 9.1. We are committed to help address the impacts of climate change and help achieve a more sustainable environment. Therefore, the Council will, when evaluating contracts and developing business cases, ensure that consideration is given to the environmental impact of its decisions. We will work with our suppliers to ensure that they demonstrate a similar commitment insofar as this is permissible within the law. Our more detailed policy on sustainable procurement is attached as Annex B to this Strategy.

## **10. Equality Issues**

- 10.1. The Council is committed to promoting equality of opportunity, diversity and cohesion in all of its procurement activity. The Public Sector Equality Duty set out in the Equality Act 2010 will be considered in every procurement decision. The duty will be fulfilled, in line with the Council's Equality and Diversity Policy, by the Council addressing this through:
  - Considering the potential impacts of the procurement process on the protected characteristics of age, disability, sex, religion or belief, pregnancy and maternity, race, marriage or civil partnership, sexual orientation and gender re-assignment and where relevant ensuring that Equality Impact Assessment (EIA's) are carried out to ensure that equality and diversity requirements are built into contract documents and processes where relevant.
  - Ensuring that equality and diversity terms and conditions are built into standard procurement documents.
  - Monitoring compliance against such terms in contracts documents regularly in Customer Management meetings.
  - Any other relevant action considered to be relevant and proportionate.

## **11. Social Value Issues**

- 11.1. A policy statement on achieving social value when procuring services is attached as Annex C to this Strategy. In appropriate cases, the policy acknowledges that additional social benefits may be achieved via the procurement process as set out in the Public Services (Social Value) Act 2012. The Council will need to consider each relevant procurement case on its own merits as social value will need to be tailored to the particular contract opportunity whilst taking account of the attached policy statement.

## **12. Major Procurement Projects**

- 12.1. All major procurement projects will be subject to an option appraisal that assesses the principle options available to the Council against agreed criteria. The criteria will include:
  - affordability, based on whole life costs;
  - risk management;
  - service delivery objectives;
  - issues of equality, sustainability and economic impact; and
  - savings against budget which can be achieved.

12.2. All major procurements will be managed on a structured project management basis. Such project management will include progress reports and/or reviews at each key stage. The reports/reviews will be presented to a relevant Advisory Board for decision/information. For contracts above the current EU service and supply threshold the procurement process and contract award is to be approved by Members.

### **13. Collaboration**

13.1. We will seek to take an active role in the creation of strong collaborative initiatives. By doing so, we aim to achieve better solutions, which take advantage of economies of scale and enhanced shared knowledge and learning. The Council will seek to use appropriate regional buying consortia whenever consortium contracts are of benefit to the Council and meet its requirements. In addition, the Council will endeavour to aggregate its internal demand for supplies and services.

### **14. Partnering**

14.1. The Council will consider a Partnership approach to service delivery for all of its major projects. The aim will be the creation of mutually advantageous, flexible, long-term relationships based on the achievement of continuous improvement and on sharing of risk and reward. The partnerships may involve the public or the private or the voluntary sector or a combination thereof. The core objective will be to build and sustain an excellent working relationship through openness, trust and common, or compatible, aims and objectives. However, any partnership will be underpinned by a very clear set of objectives.

### **15. E-Procurement**

15.1. To improve efficiency, and reduce the cost of purchase transactions, the Council will, replace existing paper-based processes (from requisition of goods through to payment) with electronic solutions.

15.2. The Council will continue to assess and exploit new technologies to reduce the internal cost of making purchases and provide information on which to base Procurement decisions.

15.3. We will encourage our suppliers to adopt similar technologies and to share the resulting benefits. Suppliers who take advantage of these opportunities are likely to increase their competitiveness.

### **16. Competencies and Development**

16.1. The Council is committed to the training and development of all staff involved in procurement. The Council's Management Team will identify any high priority/risk procurement and will:

- keep under review procurement training and development needs, including skills required for contract management; and
- ensure that there are sufficient resources available to meet the aspirations of this Strategy.

### **17. Risk Management**

17.1. The Council has a strategy for the management of risk which also embraces its procurement processes. The Council will identify and allocate risk between the respective parties to ensure that risk is effectively managed throughout the procurement process.

## **18. Implementation**

18.1. The Council can deliver the aspirations of this Procurement Strategy and its wider corporate objectives by:

- requiring that Services are properly reviewed and scrutinised pre-procurement and that procurement processes remain proportionate and focussed on key markets to help deliver the best contractual arrangements within the resources available; and
- embedding in the culture and practice of the Council the principles of good procurement practices and contract management.

## **Procurement with Small and Medium-sized Businesses, and Voluntary and Community Organisations Policy Statement**

### **1. Introduction**

- 1.1. The Borough Council recognises the need to promote a strong local economy and to assist voluntary and community organisations (VCOs), some of which are themselves, small/medium sized enterprises. Where appropriate, the Borough Council will use the procurement of its supplies and services to help achieve this. Over 80% of businesses in Tonbridge and Malling employ 10 people or less and therefore these make up a significant part of our local economy. There are approximately 150 VCOs operating within the borough.
- 1.2. The Borough Council spends over £10m annually on supplies and services. Analysis shows that of the businesses the Council did business with in 2015/16 around 65% were small or medium sized enterprises and accounted for more than 50% of the associated spend (for this purpose defined as organisations with fewer than 250 employees).
- 1.3. The Borough Council believes that more could be done to increase the numbers of small and medium sized enterprises and voluntary and community bodies in supplying goods and services to the Council to support the local economy and help strengthen the voluntary sector in accordance with the Kent Compact. This policy statement sets out how this will be achieved.

### **2. Legal Issues**

- 2.1. European and national procurement rules require fair, equal and open competition to be achieved in the purchase of goods and services. This means that nothing should be done that could restrict, distort or prevent competition when undertaking procurement.
- 2.2. The Borough Council is therefore unable to give priority to certain sizes of companies or groups when seeking suppliers of goods and services and it cannot favour companies or groups located locally over those from further afield. This policy statement has been prepared to take full account of these issues.

### **3. Guiding Principles**

- 3.1. Our overall approach is therefore to:
  - Do nothing to preclude SMEs and VCOs from having a fair and equal opportunity to tender/bid for works and the supply of goods and services to the Council
  - Look for opportunities, within the constraints of ensuring fair and open competition, to assist and encourage SMEs and VCOs to work with the Council over the supply of goods and services.

### **4. The Benefits of Working with SMEs**

- 4.1. Using smaller companies to supply goods and services can often have advantages over using larger companies:
  - The placing of a contract with an SME even of relatively low value can represent a significant boost for that company, providing for better stability and growth.
  - SMEs will be able to focus on the delivery of a single contract and will therefore be keen to provide a better quality service to the client overall.

- SMEs help to promote supply chains as they can link and work with other SMEs over the contract works.
- SMEs are often growing companies and are keen to develop and expand. They can be a source of innovation and help clients develop new ways of working.
- SMEs can often have smaller administrative and management costs compared to larger firms and thus can provide better value for money for their clients.
- SMEs, being run by a smaller complement of staff, can be more responsive to a client's needs and can be more flexible in their approach.

## **5. The Benefits of Working with VCOs**

- 5.1. Using VCOs to supply goods and services can have a number of benefits depending on the type of service which is being procured:
- VCOs have established links with the community, are often locally based with a thorough understanding of the environment in which they operate. They are able to draw on resources in the community and gain local support for new projects.
  - VCOs often have a good understanding of the needs of specific client groups: for example, they have a greater capacity to reach and earn trust of excluded or disadvantaged groups.
  - VCOs are independent and driven by charitable aims rather than improved profit margins. This can make them enthusiastic, committed and flexible and responsive to customer's needs.
  - They may be less risk averse, more willing to innovate and have stronger motivation, through their charitable aims and objectives, to identify better ways of doing things.

## **6. The Small Business Concordat**

- 6.1. The Government's good practice guide for local authorities entitled the 'Small Business Concordat' seeks to encourage local authorities to make greater use of SMEs in the procurement of goods and services. The concordat contains a number of 'pledges' to ensure a council's procurement processes do not unduly discriminate against SMEs and, where appropriate, to make it easier for this sector to tender for public sector contracts.
- 6.2. The Borough Council is a signatory to the Concordat and this policy statement seeks to indicate how the pledges contained in the Concordat will be implemented within the borough.

## **7. The Borough Council's Commitments**

- 7.1. The Borough Council will seek to assist SMEs and VCOs in undertaking the procurement of council goods and services in the following ways:
- We will provide information about relevant key contract opportunities on our website and assist bidders, including SMEs and VCOs, with their understanding of the Council's requirements and tender processes on request.
  - We will provide feedback on request to any company, including SMEs and VCOs, who have tendered unsuccessfully for the supply of goods and services so that they may improve future bids for council work.
  - We will review our procurement processes in the light of any feedback received to ensure that they are both simple and accessible and that SMEs and VCOs are not unduly prejudiced when tendering for council work.

- We will treat all of our suppliers, including SMEs and VCOs, fairly and openly and will endeavour to pay suppliers within 10 days of receipt of a valid invoice.
- We will ensure that tender evaluation criteria do not result in SMEs and VCOs being unfairly excluded from supplying goods and services to us.
- We will provide details of our main contractors on our website to provide opportunities for SMEs and VCOs to explore joint working and sub-contracting.
- We will balance opportunities for disaggregating our larger contracts or dividing them into smaller lots to enable SMEs and VCOs to have an equal chance to tender for them with value for money considerations.
- We will require those tendering for council business at tender stage to provide information about how they could make use of, and promote, supply chains which may include SMEs and VCOs.
- We will, where appropriate, advertise contract opportunities locally and via SME and VCO networks (subject to ensuring sufficient competition).
- We will, where appropriate, encourage our main contractors to explore opportunities for them to make use of specialist sub-contractors (which might include SMEs and VCOs) in the delivery of larger, longer term contracts.

## **Sustainable Procurement Policy Statement**

### **1. Introduction**

- 1.1. The Borough Council recognises that sustainable development considerations should be incorporated into the procurement of goods, works and services. It demonstrates a commitment to procuring goods, works and services that are environmentally and socially responsible. In so doing, the Council wishes to promote the adoption of more sustainable practices and procedures amongst the wider business community.
- 1.2. The Council has a “Procurement Officer Study Group” (OSG) who will encourage internal purchasers to review their consumption of goods and services, reduce usage and adopt more environmentally friendly alternative products. They will also communicate the sustainable procurement policy to all staff and stakeholders.

### **2. Guiding Principles**

- 2.1. Sustainable development means achieving four objectives:
  - Effective protection of the environment
  - Prudent use of natural resources
  - Social progress which recognises the needs of everyone
  - Maintenance of high and stable levels of economic growth and employment
- 2.2. Efficient procurement of goods, works and services depends upon balancing considerations of cost and quality. Sustainability issues need to be incorporated into both aspects as follows:
  - When considering the **costs** of goods and services, the life-span of the product or the whole life costs, need to be considered. This takes into account running costs such as energy usage, CO2 emissions, maintenance requirements, staff training needs, reuse, recycling and disposal costs. These costs need to be taken into account in addition to the initial purchase price.
  - When considering the **quality** of goods and services offered, their environmental issues and standards need to be taken into account equally alongside other aspects of quality.
- 2.3. Obtaining value for money when procuring goods, works and services is not just about obtaining the lowest price. Consideration of environmental factors needs to be undertaken at an early stage in the procurement process as a key element of the wider ‘value’ that can be obtained. In some circumstances, a higher price for goods and services may be justified where this choice results in additional environmental benefits.

### **3. Benefits of Sustainable Procurement**

- 3.1. Adopting a consistent approach to the environmental implications of procuring goods, works and services can have the following benefits:
  - Long-term efficiency savings
  - More efficient and effective use of natural resources
  - Reduction in harmful impacts of pollution and waste
  - Reduction of the impact of hazardous substances on human health and the environment

- Encourages business innovation
  - Provides strong signals to the sustainable products market
  - Represents a practical expression of the Council's commitment to sustainable development in the local community.
- 3.2. In addition to the above, the Borough Council is a signatory to the Small Business Friendly Concordat and the Kent Partners Compact. It is therefore committed to working with small businesses and the voluntary sector to promote sustainable procurement, remove any barriers for them doing business with the Council and via corporate social responsibility processes, encourage these sectors to adopt an environmentally friendly approach when providing goods and services to the Council.

#### **4. Achieving Sustainable Procurement**

- 4.1. As an initial step in the procurement of any goods, works or services, an assessment of environmental risk will need to be undertaken to determine the extent to which issues of sustainability will need to be taken into account in the procurement process. The assessment will need to take account of the environmental factors set out in Appendix 1 to this policy. For example, some goods, works and services may constitute a high environmental risk where it is expected that higher levels of energy consumption and/or CO2 may be generated by the goods or services being purchased or where there may be an adverse impact on the environment due to the need to use chemicals, etc. In these cases, the procurement process to be adopted must seek to take full and proper account of these factors. Where environmental risk is assessed to be lower or, in some cases, minimal, the extent to which sustainability is taken into account may be proportionately less. Further advice on likely impacts can be obtained from the Council's lead officer on Sustainability.
- 4.2. For **procurement exercises of under £100,000** in value, environmental factors need to be taken fully into account where the assessed risk is judged to be medium/high. For all other exercises, the extent to which environmental factors are taken into account should be proportionate to the nature of the goods or services being procured. In **Non EU procurement exercises** that involve a formal tender procedure, for goods or works with a value in excess of £100,000 but below the current EU threshold, it will be expected that environmental issues where relevant to the subject matter of the contract must be taken into account in the procurement process and that this should be informed by the risk assessment.
- 4.3. The authority is not entitled to have a pre-selection stage in below EU threshold procurements due to the Public Contracts Regulations 2015. If environmental factors are critical to the award decision in such procurements these should now become part of the award decision itself or be written into the contract specification as set out below.
- 4.4. When formal contract documents are prepared as part of the formal tendering process, sustainable procurement should be encouraged by incorporating social and environmental factors into the contract specification. Any conditions must relate directly to the particular contract activity and be capable of objective assessment. The environmental requirements for contracts will vary depending upon the types of goods or services being procured. A guide as to the requirements that could, where relevant, be included in the invitation to tender documentation is set out at Appendix 1 to this policy.
- 4.5. The tender evaluation process must include some assessment of environmental impacts. The relative weight to be applied to these will depend on the environmental risk balanced with other factors such as cost and quality of the service or goods to be

provided. The weights to be applied to each criterion will be set out in the invitation to tender letter.

- 4.6. For **EU Service Contracts**, environmental considerations can only be taken into account if they are directly relevant to the particular contract activity and are capable of objective assessment. There are strict rules on what can be taken into account in assessing contractors at the pre-tender stage so environmental considerations should predominantly be considered when specifying the services required and in tender evaluation when assessing how the contractor will operate the Service (where relevant) as set out in paras 4.4 and 4.5 above.
- 4.7. The Borough Council's lead officer on Sustainability issues should be consulted on all procurement exercises where environmental issues may arise and where the risk assessment is medium/high.
- 4.8. The application of this policy is subject to the proper application of national and EU rules on open and fair competition in the procurement of goods, works and services and the Council's own adopted financial and contracts procedure rules.

## **Environmental Questionnaire**

### **Environmental policy**

*Have you adopted an environmental policy (such as ISO14001 or EMAS) which gives details of the main environmental impacts associated with your product or service demonstrating how impacts will be reduced?*

**Yes / No**

*If yes please attach a copy*

### **Corporate Social Responsibility**

*Can you demonstrate how economic, social and environmental impacts are taken into account in the way you operate?*

**Yes / No**

*If yes please provide brief details below*

### **Energy**

*Can you demonstrate any examples you are using to minimise energy use?*

**Yes /No**

*If yes please provide brief details below*

### **Transport**

*Can you demonstrate how distance of travel required for the delivery of goods or the undertaking of specific services can be minimised?*

**Yes /No**

*If yes please provide brief details below*

### **Further Comments**

## **Environmental issues: Goods, Works and Services**

### **Chemicals**

*A prohibition on the use of chemicals listed as most harmful by the EU.*

### **Resource Use**

*A requirement to reduce the consumption of energy, water and resources in addition to reducing CO2 emissions and waste associated with any contract or purchase.*

### **Packaging**

*Where reasonable, a commitment to ensure products purchased will use minimum packaging and will be available in refill packs, recycled packaging or returnable packaging.*

### **Timber**

*A requirement to use local sources of timber and wood products wherever possible and to use products carrying the Forest Stewardship Council (FSC) trademark, or an equivalent, internationally recognised certification of good forest management.*

### **Recycled products/paper**

*A requirement to use of paper from sustainably managed sources with a high recycled content and/or a commitment to use, and encourage the use of, other recycled products.*

### **Peat**

*A prohibition on the use of peat or peat compounds for mulches, container grown plants or in soil dressings.*

### **Creosote**

*A prohibition on the use of creosote or creosote treated wood.*

### **Pesticides**

*A commitment to use non chemical control methods rather than the use of pesticides (including herbicides, fungicides, insecticides, rodenticides, lumracides).*

### **Eco-labels**

*The use of products which carry recognised eco-labels meeting formally approved criteria, based on life-cycle environmental impact.*

### **Transport**

*A requirement that the distance of travel required for the delivery of goods or the undertaking of specific services is minimised and/or that the supply of goods and services incurs less business miles or otherwise the contractor is able to adopt more sustainable travel modes or fuel types.*

## **Environmental issues: Goods Only**

### **Durability of goods**

*A requirement that the goods being offered are the most durable when compared to others available on the market and is a product likely to last the longest.*

### **Materials**

*The product makes the most of recycled materials compared to others on the market.*

### **Upgrading**

*Use of a product which can be easily upgraded at a reduced cost.*

### **End of Life**

*Use of a product (or parts of it) which is re-usable or recyclable when it reaches the end of its useful life and compares well to other similar products.*

### **Running Costs**

*The running costs of the product are acceptable (i.e. does the product being offered compare with others in terms of amount of energy used and associated CO<sub>2</sub> emissions)?*

### **Pollution**

*The product is minimum or non-polluting or there is no available alternative that is more environmentally sound within a similar price range.*

### **Disposal**

*The disposal costs related to the product are acceptable, compares well to other similar product and contains no chemicals that require special disposal arrangements at extra cost.*

## **Social Value Policy Statement**

### **1. Defining Social Value**

- 1.1. A generally adopted definition of 'Social Value' is 'a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits to society and the economy, whilst minimising damage to the environment'.
- 1.2. In terms of local procurement, adopting and embracing the concept of 'social value' means that additional economic, social and environmental considerations can be taken into account when choices are made as to which organisations provide those goods, works and services to the Council. Whilst the issues of cost and quality remain of key concern, the concept of social value means that, where appropriate, the Council can seek to achieve added social benefits via its procurement processes that may otherwise not have been achieved by other means.

### **2. The Legal Issues**

- 2.1. The Public Services (Social Value) Act came into force in February 2012. The Act requires that for public service contracts over the current EU procurement threshold for services the Council must consider:
  - how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area; and:
  - how, in conducting the process of procurement, it might act with a view to securing that improvement.
- 2.2. In addition, the authority must also consider only matters that are relevant to what is proposed to be procured and, in doing so, must consider the extent to which it is proportionate in all the circumstances to take those matters into account.
- 2.3. Provisions of the Act need to be taken into account prior to the procurement processes being commenced. It is suggested that Commissioners should consider social value before the procurement starts because that can inform the whole shape of the procurement approach and the design of the services required. Commissioners can use the Act to re-think outcomes and the types of services to commission before starting the procurement process.
- 2.4. The EU procurement directive also provides for social matters to be taken into account in awarding contracts provided the following criteria are met
  - Social policy should be reflected in a policy adopted by the public procurement body
  - Social requirements should be capable of being measured
  - Social requirements must be relevant to the subject matter of the contract and proportionate to what is being procured
  - Social requirements should not discriminate against any bidders across the EU.
- 2.5. It is also possible for social requirements to be included in the specification and become part of the contract subject to the same considerations outlined above.
- 2.6. This Social Value Policy seeks to meet these requirements.
- 2.7. It is possible for the Council to go further than required under the Public Contracts (Social Value) Act and to seek social value in contracts at a lower threshold and in relation to a wider range of contracts including works and supply contracts. The Council recognises the social return that can be generated from a procurement exercise and wishes to maximise the social benefits arising from its commissioning

processes by extending the requirement to consider social value to all tendered contracts. This will support the Council in its corporate objective of supporting and facilitating economic regeneration, and addressing social and environmental issues across the Borough.

### **3. The Council's Approach to Social Value**

- 3.1. To assist our existing and future providers of goods and services, we need to be clear about what specific objectives we wish to achieve by adopting social value generally and what local benefits we wish to achieve via this process.
- 3.2. In the main, the Council will explore social value benefits when procuring contracts for works and services. There is likely to be only limited opportunities to apply social value considerations to supply contracts. Each procurement opportunity will therefore be assessed on its individual merits to test the extent to which social value benefits could be sought.
- 3.3. We believe that social value should embrace the following range of local economic, social and environmental benefits:
  - Economic
    - Creating opportunities for more small and medium sized businesses (SMEs) to provide goods and services, for example, by creating supply chain opportunities between larger and smaller local businesses
    - Making provision for larger contractors to take on local apprentices as part of their contract delivery
    - Provision of additional training, skills development and work placements for young people in partnership with local education providers including the provision of careers advice to young people, offering curriculum support with shared experience and knowledge about professional disciplines such as construction and civil engineering, etc.
    - Taking on people currently out of work as new employees.
  - Social
    - Including opportunities for social enterprises to be involved in the delivery of contracts either as a main provider or in partnership with others or as part of the supply chain
    - Involving and supporting the voluntary sector to deliver local contract opportunities
    - Identifying opportunities to support and employ people with disabilities
    - Supporting specific groups in the community including ex-offenders, those not in education, employment or training (NEET) and former service personnel.
  - Environmental
    - Encouraging the use of sustainable resources (e.g. recycled materials)
    - Reduced carbon footprint including reductions in transport distances and using fuel efficient or low emission vehicles/plant and machinery.
    - A commitment to whole life costing and ethical purchasing.
- 3.4. Not all of the above benefits will be relevant to each and every contract let by the Council. Each will be assessed on its merits. Some contracts might include a requirement to help deliver one of the above outcomes whereas for others, more than one social benefit might be deemed both relevant and proportionate.
- 3.5. The above list of social values will be used to assess the extent to which such requirements can be built into the Council's future contracts. The above list is not

intended to be exhaustive. If, for example, a potential contractor offers different economic, social or environmental benefits to those listed, then the value of these will be assessed on a case by case basis.

#### **4. Including Social Value in the Council's Procurement Processes**

- 4.1. The Council will adopt the following processes when considering social value issues for contracts valued at £100,000 and above:
  - Stage 1: Prior to any new or revised contract being developed, the Council will, based on the content of this adopted policy, consider the extent to which any of the specific social values listed above or others might be deemed relevant to that contract and, if so, what specific additional benefits might be sought from the procurement process.
  - Stage 2: Ensure that, in any invitation to tender and required OJEU notice that these social value requirements are made clear so that all potential contractors are aware of what is being required of them.
  - Stage 3: Include, if relevant, such requirements in any Pre-Qualification Questionnaire (PQQ) and set out any weighting to be attached to such matters. The inclusion of social value matters may, for instance, be assessed as part of the review of the technical capacity of the bidder to perform the contract or their experience. A PQQ is now only permissible for Contracts valued at above the relevant EU threshold.
  - Stage 4: To specify in tender documents the social values that are being sought and to set out the score to be attached to those requirements as part of the overall tender evaluation process. These might include specific requirements for tenderers to address or open questions to tenderers that set out how they intend to meet (and possibly exceed) the social value requirements.
  - Stage 5: To include in the final contract which is awarded, appropriate requirements setting out how the Council wishes the contractor to monitor, review and measure the impact of the social value elements.
- 4.2. Whilst the above processes will apply to the Council's tendered contracts, such provisions may also be applied to other forms of procurement where the goods, works and services being sought are particularly relevant to the social values listed in this Policy.
- 4.3. The Council will in addition, when seeking quotations for contracts valued at between £5,000 and £100,000, endeavour to invite at least one local supplier/provider located within the County where available. This will help promote local economic regeneration as it has been reported that for each £1 spent locally the majority of that sum remains within the local community.

#### **5. Monitoring, Measurement and Review**

- 5.1. The extent to which social value requirements are being met during the life of a contract will be assessed as part of normal contract monitoring procedures. The Council will agree with the contractor what information will need to be collected during the contract period, how the social value elements will be measured (a method statement will need to be agreed with the contractor) and the frequency of reporting.
- 5.2. As social value matters might prove hard to assess in overall value terms, the Council will adopt a simple approach to monitoring focusing on actual social value outputs rather than an assessment of wider social outcomes.
- 5.3. The inclusion of social value requirements within contracts is a relatively new process. Each contract to which social value is applied will be reviewed to assess the success of the approach adopted and this will be used to inform how social value is

built into our future contracts. If required, a review of the Social Value Policy will be undertaken to reflect this learning and any new issues which might arise.