

Procurement Policy and Contract Procedure Rules

Report number:	CAB/WS/22/028	
Report to and date:	Cabinet	21 June 2022
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Decisions Plan: **The decision made as a result of this report will usually be published within 48 hours. The recommendation relating to approval of the Contract Procedure Rules contained in this report will be referred to Council for a final decision and is, therefore, not subject to call-in. This item is included on the Decisions Plan.**

Wards impacted: **All wards**

Recommendation: It is recommended that Cabinet:

- 1. Approves the new West Suffolk Council Procurement Policy attached at Appendix A to Report number CAB/WS/22/028.**

- 2. Recommends to Council, approval of the constitutional changes set out in the revised West Suffolk Council Contract Procedure rules at Appendix B to Report number CAB/WS/22/028.**

1. Context to this report

- 1.1 The current procurement policy has not been changed since the establishment of West Suffolk Council on 1 April 2019. Since that time there have been changes in the wider economic environment and strategic priorities of the Council that will now be reflected appropriately in the procurement policy and contract procedure rules.
- 1.2 As an 'anchor institution' and significant purchaser, commissioner and buyer, West Suffolk Council recognises that its procurement processes and spending decisions will have an impact on a range of stakeholders, including local businesses, communities, council tax payers and community groups. As such, the Council wants to achieve value for money, environmental sustainability, delivery of social value and security against modern slavery within its supply chains.

2. Proposals within this report

Aim of new policy and contract procedure rules

- 2.1 Procurement is a key tool in ensuring that West Suffolk Council achieves its strategic priorities and adheres to wider regulation on transactions and transparency.
- 2.2 The key aims for these revised documents are to:
- Deliver value for money for West Suffolk Council
 - Drive efficiency and transparency of process to show the achievement of value.
 - Ensure Sustainable Procurement
 - Provide a clear framework and set of requirements for major projects and critical service provision to demonstrate progress towards Carbon Net Zero.
 - Build understanding and consideration of sustainable procurement into all contract decisions.
 - Adhere to Modern Slavery Statement
 - Ensure that there is no slavery or human trafficking in any elements of the West Suffolk Council supply chain.
 - Deliver Social Value
 - Demonstrate delivery of support for local communities in well-being, education and mental health.

3. Key changes to the policy and contract procedure rules

- 3.1 The policy and contract procedure rules have been fully reviewed and updated in conjunction with key internal stakeholders. The key changes made can be grouped into significant areas as detailed below.

- 3.2 The proposed revised thresholds for internal process and supplier engagement have been increased upwards to recognise inflation, increase access for local business and reduce onerous process at lower procurement levels (see section 4).
- 3.3 Understanding of the environmental impact that contract decisions can have needs to be a key priority through the procurement process. In order to address this specific requirements for consideration of, commitment from suppliers, and target setting for reduction of environmental impact have been introduced into the contract procedure rules and revised thresholds.
- 3.4 Delivery of Carbon Net Zero by 2030 will be dependant on driving down CO2 production in the areas that currently produce the highest volumes. These procurements (including commissioning) include:
- Construction projects
 - Fleet
 - Facilities
 - Utilities
- These areas will therefore have a greater requirement (at a lower threshold) to ensure CO2 reduction targets and tracking mechanisms are included in contract procurements and negotiations.
- 3.5 The Government Procurement Policy Note 05/19: Tackling Modern Slavery in Government Supply Chains sets out the requirements for all government bodies to follow. The West Suffolk Council Modern Slavery & Human Trafficking Statement lays out the Council's approach to understanding potential modern slavery risks and steps to ensure that none exists in its own activities and supply chains. The Procurement Policy references this statement and asks for consideration by staff and self certification from suppliers in all quotations. For businesses larger than £36m turnover evidence of their own Modern Slavery & Human Trafficking policy must be supplied (e.g. [Regulatory Reporting - Microsoft UK](#)).

4. Revised thresholds and procurement requirements

- 4.1 The revised contract value thresholds and associated award procedures and sustainable procurement requirements (split between the service areas named in para 3.4 and other) are laid out in the table below:

Value of Contract	Award Procedure	Sustainable Procurement Requirements (non critical service areas)	Sustainable Procurement Requirements (critical service areas)
£0 - £20,000	Procure as required	Reference Sustainable Procurement Ask and consideration	Reference Sustainable Procurement Ask and consideration
£20,001 - £100,000	Formal quotation procedure	Reference Sustainable Procurement Ask and consideration	Reference Sustainable Procurement Ask and consideration
£100,001 – International Advertisement Threshold (~£190k Revenue, £4.3m Capital)	National tender procedure	Reference Sustainable Procurement Ask and consideration. Include Sustainable Procurement question within tender (min 10% weighting).	Include Sustainable Procurement question within tender (min 10% weighting). Provide evidence of: - <i>use of an environmental policy statement</i> - <i>Specific targets for, and evidence, of working towards net zero carbon emissions.</i>
Above IA Threshold	National tender procedure	Include Sustainable Procurement question within tender (min 10% weighting). Provide evidence of: - <i>use of an environmental policy statement</i> - <i>Specific targets for, and evidence, of working towards net zero carbon emissions.</i>	Include Sustainable Procurement question within tender (min 10% weighting). Provide evidence of: - <i>use of an environmental policy statement</i> - <i>Specific targets for, and evidence, of working towards net zero carbon emissions.</i>

4.2 These thresholds have increased from £0 to £10,000 for the first level and from £10,000 to £50,000 for the second. This has been done to reflect the accumulated inflation in value since the previous thresholds were set in 2014, but also to let local small and medium sized enterprises into the more straightforward procurement processes. This brings an additional 161 suppliers into the lowest threshold bracket. Supplier spend in this bracket increases from £2.9m to £5.2m (of a total of £49.1m yearly supplier spend).

5. Roll out plan

- 5.1 In order to support the implementation and adherence to the new policy and rules the following programme will be introduced:
- Internal workshops for all officers responsible for procurement on the revised procurement policy and contract procedure rules. Focus on changes, new areas for consideration and responsibilities.

- New L&D programme for all officers responsible for procurement with focus on negotiation and contract management.
- Work with Suffolk procurement partners to define options for improving the user experience on the online ICT system (Suffolk Sourcing) that supports our procurement process.

6. Alternative options that have been considered

- 6.1 Retaining the policy as it currently exists would not address the issues identified in section 3 above.
- 6.2 Moving thresholds further upward would present an increased risk of the ability to demonstrate value and create an imbalance in the aims set out in section 2 above.

7. Consultation and engagement undertaken

- 7.1 Consultation was taken and feedback received from all internal procurement stakeholders. These included all service managers, directors and the procurement manager.

8. Risks associated with the proposals

- 8.1 The risks inherent with this revision to the procurement policy all relate to not achieving the aims set out in section 2:
- The risk of not demonstrating value for money or achieving efficiency or transparency of process.
 - The risk of not ensuring new contracts contribute towards our Carbon Net Zero targets.
 - The risk of engaging in contracts that do not achieve the balance between value, service delivery and environmental impact.

9. Implications arising from the proposals

- 9.1 Financial
No additional cost or resource required.
- 9.2 Environment or Sustainability
Key in ensuring new contracts have consideration of environmental impact included as per the thresholds in section 4.
- 9.3 Changes to existing policies
Update to a policy that has not been updated since 2019 and thresholds that have not been changed since 2014. The contract procedure rules that are contained within the constitution will be updated.

- 9.3 External organisations (such as businesses, community groups)
Local small and medium-sized enterprises (SME's) will have more opportunity to engage with West Suffolk Council contract tenders as laid out in section 4.2

10. Appendices referenced in this report

- 10.1 Appendix A - Revised West Suffolk Council Procurement Policy
- 10.2 Appendix B - Revised West Suffolk Council Contract Procedure Rules

11. Background documents associated with this report

- 11.1 None