

Newark & Sherwood District Council

Procurement Policy

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1.0 Policy Statement for Procurement

The purpose of this Policy is to ensure that all **Procurement Activities** carried out by Newark & Sherwood District Council:

- Are consistent with the wider aims and objectives of the Council
- Provide best possible value
- Are conducted in a fair, objective and transparent manner
- Are compliant with the regulatory framework of all relevant legislation, **Standing Orders**, Financial Regulations, Schemes of Delegation and other related policies
- Use best practice in the application of ethical standards

Newark & Sherwood District Council's policy for procurement aims to ensure that effective procurement and the benefits that flow from it are delivered. This will be achieved via leadership, knowledge, expertise, strategic positioning and facilitation of the procurement process.

2.0 Organisational Scope and Compliance

2.1 This Policy applies to all **Employees**.

2.2 Only **Employees** with delegated **Procurement** authority are allowed to commit expenditure to third parties. Any other **Employee** must not conduct any **Procurement Activities** unless specifically instructed. In particular, but not exclusively, **Employees** who are engaged in **Procurement Activities** are required to familiarise themselves with the content of this Policy and the other related documents, (e.g. Procedures) and comply with it.

2.3 Newark & Sherwood District Council requires that agencies and consultancies make their employees aware of this policy and ensure that their employees observe it when engaged in Newark & Sherwood District Council contracts. It is essential that relevant **Employees** ensure that agencies and consultancies are made aware of this requirement.

2.4 This policy is part of **Procurement's** governance structure and provides the high level framework for more detailed guidelines which are available locally in the form of standards and procedures in support of this Policy.

3.0 Guiding Principles

Newark & Sherwood District Council's **Procurement Activities** will be guided by the following four principles:

3.1 *Achieve Effective Governance and Control*

Conduct **Procurement Activities** in a manner that satisfies the requirements of accountability and internal control, fulfils Newark & Sherwood District Council's legal and financial obligations and effectively manages commercial risk.

3.2 *Demonstrate Sustained Value*

Achieve best possible value for Newark & Sherwood District Council, seek continuous improvement in how **Procurement** operates and leverage economies of scale across the Council.

3.3 ***Apply a Consistent and Standard Approach***

Provide effective and efficient commercial arrangements for standard products and services.

3.4 ***Build and Maintain Supplier Relationships***

Recognise that in order to achieve best possible value appropriate relationships must be developed and maintained with **Suppliers**.

The detail on each of these guiding principles is outlined in the following sections.

4.0 **Achieve Effective Governance and Control**

4.1 ***Governance***

Procurement Activities within Newark & Sherwood District Council will be carried out to the professional standards required by best practice and in compliance with:

- All prevailing legislation including but not limited to EU and UK Procurement Law.
- Newark & Sherwood District Council's Constitution (including the Codes of Conduct, Protocols and Rules of Procedure contained therein), policies, schemes of delegation and procurement procedures.
- It is the responsibility of any employee belonging to a professional organisation, such as the Chartered Institute of Purchasing and Supply to comply with the professional code of ethics required by the professional body.

4.2 ***Delegation of Authority***

Newark & Sherwood District Council will maintain a documented scheme of delegation for **Procurement** and only those **Employees** with delegated procurement authority will be permitted to make a third party commitment on behalf of Newark & Sherwood District Council.

Employees with delegated procurement authority for carrying out **Procurement Activities** on behalf of Newark & Sherwood District Council will be required to adhere to the requirements of Newark & Sherwood District Council's Contract Procedure Rules.

4.3 ***Internal Controls***

(i) Newark & Sherwood District Council will put in place a framework of internal controls over **Procurement Activities** that will ensure that:

- More than one person is involved in and responsible for a transaction end to end
- Transparency is in the procurement process
- A clearly documented audit trail exists for **Procurement Activities**
- The appropriate authorisations are obtained and documented
- Systems will be put in place for appropriate equality monitoring and performance measurement.

(ii) Newark & Sherwood District Council will publish standards and procedures in support of this Policy which will ensure that Newark & Sherwood District Council seeks best possible value in its **Procurement Activities**. These will focus on being

relevant and appropriate whilst providing a guideline on how **Procurement Activities** within Newark & Sherwood District Council will be carried out.

- (iii) All **Employees** are required to comply with Newark & Sherwood District Council's Anti-Fraud and Corruption Policy.
- (iv) **Procurement Activities** will be carried out in a way that supports **Employees** in meeting their obligation to ensure information of a commercially sensitive or confidential nature is obtained, stored, processed, published (where applicable) in an appropriate manner in accordance with the relevant Newark & Sherwood District Council publications such as the Document Retention Policy and guidance on the Freedom of Information Act 2000.

4.4 Risk Management

- (i) **Procurement** will seek to ensure that risk management is appropriately applied at all stages of **Procurement Activities**. Guidance will be made available to enable **Employees** dealing with **Procurement Activities** to employ Newark & Sherwood District Council risk management principles.
- (ii) In order to contribute to Newark & Sherwood District Council's position on resilience which includes security and emergency, contingency and business recovery planning, **Procurement** will ensure that, where relevant, **Procurement Activities** are properly planned and carried out in a manner that will protect and enhance Newark & Sherwood District Council's capability to prevent, withstand and recover from interruption to the supply of goods, services and works.

4.5 Procurement Thresholds and Competition

The selection of potential **Suppliers** is based on the need to generate effective competition whilst avoiding unnecessary tendering costs for both **Suppliers** and Newark & Sherwood District Council.

Newark & Sherwood District Council will maintain and publish clear guidelines for minimum spend competition thresholds. These will be dependent on the size and complexity of the proposed **Procurement Activity** and will comply with public procurement regulations.

4.6 Contract Terms

All contractual relationships must be documented in writing based on Newark & Sherwood District Council standard terms and conditions. Where this is not possible, approval must be sought from the Procurement BU Manager or the Director - Resources, with advice from the HR & Legal BU Manager where relevant.

To protect the best interests of Newark & Sherwood District Council, terms and conditions must be settled in advance of any commitment being made with a **Supplier**.

4.7 Endorsement

Newark & Sherwood District Council **Employees** must not endorse any products or services. Individual requests received for endorsement must be referred to the Procurement BU Manager or the Director - Resources.

5.0 Demonstrate Sustained Value

5.1 *Achieving Best Possible Value*

Newark & Sherwood District Council's **Procurement Activities** will be carried out on the basis of obtaining best possible value. This means:

Minimising total cost of ownership over the lifetime of the requirement consistent with acceptable quality, reliability and delivery considerations;

This will be facilitated by:

- Developing, implementing and managing procurement strategies that support the co-ordination and streamlining of activities throughout Newark & Sherwood District Council
- Effective use of competition
- Using centralised contracts and framework agreements where appropriate
- Identifying efficiencies in the procurement process
- Developing a more cost-efficient tender process including appropriate use of e-solutions
- Providing competent advice to internal customers in terms of available products and agreements
- Working with Suppliers to create relationships that are professional and productive, and are appropriate to the value and importance of supplies

5.2 *Performance Measurement*

Procurement will establish and put in place appropriate performance measures. Reporting systems will be used to monitor performance against metrics and compliance with procurement policies, procedures and controls.

Procurement procedures, practices and costs will be benchmarked externally. Internal service standards will be agreed within Newark & Sherwood District Council and performance against these targets will be measured and reviewed regularly to support continuous improvement.

Procurement will use the performance measurements developed to:

- Highlight trends and exceptions where necessary to enhance performance
- Improve the internal efficiency of the procurement process and where relevant the performance of **Suppliers**
- Facilitate relevant programmes to drive improvement in Procurement to eliminate waste and inefficiencies on key spend categories

6.0 Apply a Consistent and Standard Approach

Procurement will provide effective commercial arrangements covering standard products and standard service provisions across Newark & Sherwood District Council to enable **Employees** to "call off" requirements in an efficient manner.

This will be achieved via standardisation of the following across Newark & Sherwood District Council:

- Pricing where relevant.
- Processes, Procedures and techniques
- Tools and business systems (e.g. implementing appropriate e-procurement arrangements for internal customers to utilise).
- Utilisation of framework agreements.
- Application of standard contract Terms and Conditions.

7.0 Build and Maintain Supplier Relationships

Procurement recognises the importance of effective and open working relationships with its **Suppliers**, and is committed to the following:

- Delivering tangible savings through the building of collaborative relationships and strategic alliances with key **Suppliers**.
- Managing **Suppliers** via appropriate development programmes and performance measurements to ensure the benefits are delivered.
- Developing new **Suppliers** and improving the capability of existing **Suppliers** where appropriate.

8.0 Related Policies

In addition to the above and where relevant, **Procurement Activities** will be carried out in accordance with the relevant Newark & Sherwood District Council Policies, including but not limited to the following. **Procurement** will make available to Suppliers any relevant information in respect of such policies.

8.1 Health & Safety

Procurement will ensure that all goods and services and **Suppliers** thereof demonstrate a commitment to H & S and comply with the relevant elements of Newark & Sherwood District Council's Health & Safety Policy. This will include the implementation of processes to ensure that Health & Safety risks are identified and managed to an acceptable level during all relevant **Procurement Activities**.

8.2 Sustainability

Newark & Sherwood District Council will embed the principles of sustainability throughout its procurement activities by undertaking a balanced consideration of the social, ethical, environmental and economic impacts when selecting products and services.

Furthermore, as part of its pre-procurement deliberations, the Council will consider how the procurement of public Services contracts may improve the economic, social and environmental well-being of the District. Well-being considerations must be relevant and proportionate to the subject matter of the contract and enforceable within the constraints of existing EU legislation.

8.3 Equality and Diversity

Procurement will require **Suppliers**, where appropriate, to be aligned with Newark & Sherwood District Council's corporate objectives for equality and diversity as outlined in Newark & Sherwood District Council's Equality & Diversity Policy Statement.

Wherever possible and appropriate, **Procurement** will encourage applications for inclusion in Newark & Sherwood District Council's tendering processes from local businesses, particularly small and medium-sized enterprises and social enterprises that can benefit from the Council's contract opportunities.

8.4 Information Compliance Policy

Procurement will comply with Newark & Sherwood District Council's Information Governance Policy which covers compliance with areas such as:

- Data Protection Act 1998
- Freedom of Information Act 2000

9.0 Approval and Amendments

The approval and/or amendment of the **Procurement Policy** will take place via the **Corporate Governance** guidelines and the **Procurement** internal review mechanisms as appropriate.

10.0 Policy Owner & Contact Details

The Business Manager – Procurement is the designated owner of this policy.

For further information on the Policy, please contact via email: john.king@newark-sherwooddc.gov.uk or phone 01636-655479.

11.0 Appendix – Definitions

For the purpose of this Policy, the terms highlighted in **bold** have the meanings set out below.

Corporate Governance refers to the overall framework of Newark & Sherwood District Council internal controls.

Employee refers to any person (whether on a fixed term, temporary or permanent contract) who carries out a job role, full or part-time, for Newark & Sherwood District Council on or off a Newark & Sherwood District Council site.

Procurement refers to all of the Procurement functions within Newark & Sherwood District Council.

Procurement Activity refers to any or any combination of transactions as listed below in accordance with applicable procurement procedures:

- (i) Any activity either orally or in writing which commits, or may be taken to commit, Newark & Sherwood District Council to any contractual relationship, including the issue of letters of intent and variations to contracts.
- (ii) The settlement of any claim for additional payment not covered by an existing contract or arrangement.
- (iii) The imposition of remedies for breach of a contractual commitment, e.g. calling of bonds and guarantees, exercising step-in or termination rights, or
- (iv) The sale or other disposal of surplus material and assets

together with any discussions, negotiations or preparatory work in respect of those items.

In addition, Procurement Activity includes:

- (v) The process of obtaining supplies, services and works including seeking formal written tenders or proposals in accordance with applicable procurement procedures.
- (vi) Obtaining informal or low value quotations and/or information for budgetary purposes in accordance with applicable Procurement procedures.

Procurement Policy refers to this policy document.

Standing Orders refer to Newark & Sherwood District Council's Contract Procedure Rules.

Supplier refers to any third party supplier (for example any person, individual, firm, company, consultant or agent) of goods, works or services with which Newark & Sherwood District Council has entered into a contract or is engaged in discussions for potential business opportunities.