



PROCUREMENT STRATEGY

1. INTRODUCTION

Purpose of the strategy

- 1.1 This document sets out the Council's strategic approach to the commissioning and procurement of goods and services. It applies to all procurement activities, from the purchase of low value goods to the procurement of whole services.
- 1.2 The purpose of the strategy is to ensure that the Council's procurement activities support the delivery of the Council's objectives and the efficient discharge of its services.

Definition

- 1.3 The National Procurement Strategy for Local Government in England defined procurement in the following way:-

"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 services contract or the end of the useful life of an asset. It involves options appraisal and the critical "make or buy" decision which may result in the provision of services in-house in appropriate circumstances.

Procurement is established as a key means of improving value for money.

The corporate context

- 1.4 Service delivery in the Sustainable Community Strategy 2009-2020 is underpinned by the following underlying objectives:-

- i) to ensure the Council continues to be well managed and provides value for money,
- ii) to ensure the Council pursues further opportunities for joint working with partner organisations,
- iii) to ensure the Council maintains high resident and user satisfaction ratings with our services,
- iv) to ensure the Council keeps to a minimum any additional call on Council Taxpayers.

As far as the implications for procurement are concerned, Runnymede's policy has been to procure services in a way that achieves the desired service and corporate objectives at the best available price.

- 1.5 The Council aspires to deliver 21st Century services via the most modern work processes through implementing e-government where appropriate. Council policy is to continue to invest in smart systems that will improve Council processes, eliminate repetitive low value tasks and help free people to provide excellent customer services.

- 1.6 The Council has adopted a number of strategic plans that have a bearing on its procurement strategy, namely:
- Sustainable Community Strategy 2009-2020
 - Best Value Performance Plan
 - Asset Management Plan
 - Environmental Policy Statement
 - Equalities Policy

The Sustainable Community Strategy 2009-2020 recognises that the Procurement Strategy is fundamental to the delivery of the Council's core objectives.

1.7 **Accountability**

- The Council has Standing Orders and Financial Regulations which prescribe the procedures to be adopted for procuring goods and services.
- Chief Officers and Budget Managers are designated with the responsibility for delivering each of the Council's services. These are identified in Part 3 of the Council's Constitution and the Budget Book.
- Officers are accountable to the Council for complying with approved Council policy.
- The Council is accountable to the public for delivering its policies and targets as set out in the Best value Performance Plan.

2. THE OBJECTIVES OF THIS PROCUREMENT STRATEGY

- 2.1 The overriding objectives of the Procurement Strategy have remained unchanged since the strategy was reviewed in 2005
- 2.2 The objectives continue to be closely aligned to the Council's business strategies. Three new objectives (6, 7 and 8) have been included to give additional emphasis to sustainability, e-procurement and joint working.
- 2.3 The procurement objectives are:-
1. **To improve the efficiency and effectiveness of the procurement activity for both the Council and its suppliers.**
 2. **To deliver value for money contracts by establishing sound commercial partnerships as well as entering traditional contractual relationships.**
 3. **To implement transparent procurement processes.**
 4. **To ensure that procurement is undertaken in accordance with Council policy.**
 5. **To make it easy for others to do business with us.**
 6. **To ensure that procurement decisions take account of sustainability, the impact on the environment and the Council's duty to promote equality.**
 7. **To enable procurement processes to be conducted electronically where a business case can be made.**
 8. **To adopt joint working where it can be used to improve efficiency and value for money.**

3. HOW THE COUNCIL'S PROCUREMENT OBJECTIVES WILL BE ACHIEVED

3.1 *To improve the efficiency and effectiveness of the procurement activity for both the Council and its suppliers*

- Participate with the Surrey Procurement Network and the Improvement and Efficiency South East (IESE) in order to develop best practice.
- Review further options for e-procurement and implement suitable solutions.
- Promote the use of consortia and framework agreements.
- Explore further options for consolidating supplier invoices.

3.2 *To deliver value for money contracts by establishing sound commercial partnerships as well as entering traditional contractual relationships*

- Strategic procurement of whole services will be subject to the project management disciplines established by the Council.
- Routine purchases will only be made in accordance with corporate policies, thereby increasing efficiency and minimising rogue purchases in order to promote the best use of staff time.
- Evaluate alternative options for discharging services in the most cost effective way and ensure that the approach to individual contracts is supported by a sound business case.
- Procurement decisions will consider the role of specialist small and medium sized enterprises (SMEs) in delivering elements of larger contracts and framework agreements.

3.3 *To implement transparent procurement processes*

- Publicise details of the Council's procurement practices.
- Provide guidance and training to staff in procurement matters.
- Advertise contract expiry dates.

3.4 *To ensure that procurement is undertaken in accordance with Council policy*

- Procurement training will be provided where a need is identified in annual staff performance appraisals. Training sessions will be undertaken each year to update staff on developments in procurement and to ensure that procurement objectives and procedures are understood throughout the organisation.
- Procurement guidance will be published in the Council's Constitution and on the intranet.
- Compliance will be reviewed through regular audits and built-in checks that are part of procurement procedures.
- Procurement activity will be planned and reviewed for compliance with the Council's sustainability, environmental and equalities policies.
- No member of staff will engage in procurement activity until properly trained.
- The rules about central purchasing and the standardisation of supplies are set out in the Finance Rule Book.

3.5 *To make it easy for others to do business with us*

- Continue to produce a prospectus for suppliers on the Council's web-site showing the significant items that the Council expects to buy, with the anticipated procurement dates.
- Continue to publish a Business Guide on the web-site explaining how the Council procures its goods and services.
- Continue to work with the Business Partnership to disseminate business information and promote the "Buy Local" campaign.

3.6 *To ensure that procurement decisions take account of sustainability, the impact on the environment and the Council's duty to promote equality.*

- Sustainability will be one of the issues included in the evaluation of all contracts. Where appropriate this will be embedded in specifications.
- Sustainable Impact Assessments will be used to assess the wider social and environmental impact for all strategic procurement.
- Equalities Impact Assessments will be completed for strategic and leverage contracts.
- Whole Life Costs will be considered in the evaluation of all procurement.

3.7 *To enable procurement processes to be conducted electronically where a business case can be made.*

- Continue to look at the outstanding areas of low-value, high-volume spend and seek to reduce paperwork in the processing of orders and the approval of invoices.
- Continue to use e-Auctions in collaboration with other public sector bodies.
- Report to IT Members Working Group on options for development of purchase ordering and other IT solutions.
- Continue to collaborate with other councils on tenders, initially through sharing key dates of key contracts with them.
- Investigate the use of supplier portals with key suppliers.
- Regularly undertake spend analysis and look to consolidate spend and reduce maverick spend where possible.

Performance will be monitored quarterly at the Directors' Management Team and reported bi-annually to Corporate Management Committee.

3.8 To adopt joint working where it can be used to improve efficiency and value

Joint procurement can be one way of improving value and efficiency, by securing greater leverage and economies of scale. Joint procurement initiatives can include

- working with the Local Strategic Partnership and other partners.
- the use of local government buying consortia.
- the use of Office of Government Commerce (OGC) and other public sector framework arrangements.
- participating in procurement initiatives promoted by Improvement and Efficiency South East (IESE).

4. COUNCIL POLICIES AFFECTING PROCUREMENT

4.1 Achieve Quality Services

The Council's corporate standards aim to achieve quality services through:-

- a commitment to providing customer-focused quality service delivery to residents and businesses.
- a commitment to achieving and maintaining clearly stated service standards.
- a commitment to sound financial management, maximising flexibility and achieving value for money.
- setting an example in the way the Council operates both in respecting the environment and in dealings with suppliers and customers.
- exercising policies that promote equality in relation to customers and also to employment practices.

4.2 Procurement rules and best practice guidance

The procurement of goods and services must always comply with Standing Orders, Financial Regulations and European Directives.

4.3 Procurement ethics and probity

The Council's Standing Orders for Contracts in Part 4 of its Constitution sets out the procedures that are to be adopted when inviting tenders and awarding contracts. Part 5 of the Constitution specifies the codes of conduct that must be followed by both Members and Officers in the transaction of Council business. The Council's Standards Committee has the role of monitoring and assisting Members to comply with the operation of the Members' Code of Conduct as described in Article 8 of the Constitution. The Council is committed to high standards of corporate governance and complies with all Accounting Statements of Recommended Practice, including the full disclosure of related party transactions (see also paragraphs 15.11 and 15.12 of Financial Regulations).

4.4 Best value procurement

There is an overriding duty to procure goods and services in a way that secures the best value for the Council. The guidance for achieving best value is set out on pages 36 to 39 of the Best Value Review Guide.

4.5 Social and economic considerations in procurement

- If proposals are brought forward to externalise services, steps will be taken to ensure that any staff liable to transfer are fully protected by TUPE and will be offered comparable pension provision.

- The Council is committed to partnership working with public, private and voluntary sector providers to identify optimal procurement solutions. Officers are required to consider whether any particular contractual terms are desirable in the light of the recommendations of the report of the DETR Construction Task Force “Rethinking Construction” (the Egan Report) published on 16 July 1998 (see Standing Orders for Contracts, paragraph C6.2).
- The Council has adopted the national Small Business Friendly Concordat (reproduced at Appendix F), which seeks to promote effective trade between local authorities and small businesses. The Council will encourage diversity in its use of suppliers subject to this satisfying the requirements of value for money and quality.
- The Council’s procurement policies must comply with UK and EU law. Standing Orders for Contracts specifically refers to the need to comply with all health and safety legislation (paragraph C6.1).

4.6 **Environmental and sustainability issues**

- The Council’s Environmental Policy Statement includes the following purchasing policy: **To favour the purchase of environmentally friendly products and use of services with a minimal environmental impact, so long as requirements of value for money and quality are met, and encourage suppliers to pursue responsible environmental practices.** Section 10 of the Environmental Activities Review (reproduced at Annex B) sets out in detail the Council’s approach.

4.7 **Equality**

- Procurement is specifically included in the Council’s duty to promote equality under the Race Relations Amendment Act, the Disability Discrimination Act (as amended) and the Equality Act. The duty to promote equality applies to gender, race and disability.
- The Council will include a standard clause in all contracts requiring organisations and third parties that deliver services on the Council’s behalf to comply with the Council’s obligations to promote equality.
- In the case of term tenders and strategic tenders, the Council will ensure that contractors who deliver services on the Council’s behalf are working within the Council’s own obligations to promote equality (i.e. that they have sound employment practices, demonstrated by their employees reflecting the background population). Contractors will also be required to submit their agreed annual equalities reports for scrutiny on an annual basis.
- Equalities issues will be included in the evaluation criteria of all contracts. This will involve the completion of an Equalities Impact Assessment for strategic and leverage contracts and for other contracts where there is a significant impact on residents or staff. The European Procurement Directives require the publication of weightings for evaluation criteria.
- The Council’s duty to promote equality should be appropriate and proportionate to the value and type of contract particularly with regard to small and medium sized enterprises (SMEs). The Council recognizes that disproportionate requirements or undue bureaucracy could be seen as making the contract process inaccessible or discriminatory for SMEs.

4.8 **Staffing**

Council policy is to encourage high quality employment practices, including safe conditions of work, equality of opportunity, good communications, training and development, so that the staff can fulfil their potential. (*Personnel Policies and Procedures*)

4.9 **Health and Safety**

Standing Orders for Contracts require instructions to tenderers to comply with Health and Safety Legislation, including the Construction Design and Management Regulations (see section C6 on page 171 of the Constitution).

5. HOW PROCUREMENT IS CURRENTLY ORGANISED

5.1 Procurement responsibilities



5.2 **Scale**

The 2009/10 Revenue Budget includes approximately £ 19.8 million on bought in goods and services. This represents 31% of the Council's gross budget excluding benefit payments.

The 2009/10 Capital Programme includes Council schemes to a value of £7.9 million.

In 2007/08, the Council paid over £28 million to suppliers. This is higher than a normal year because it included additional expenditure associated with the construction and equipping of the new Civic Centre. The following table shows that 12,650 of the 15,209 transactions were for amounts of less than £1,000.

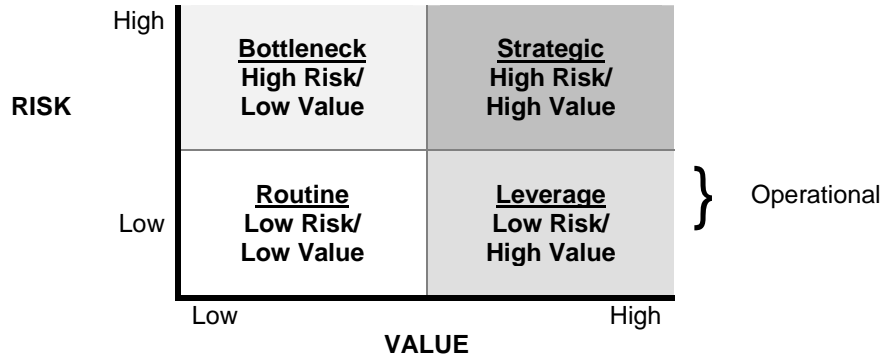
Analysis of payments to suppliers in 2007/08

Value of Payment	Total	No of Transactions	Average value
	£	£	£
Under £100	265,131	6,093	44
£100 to £999	2,213,533	6,557	338
£1,000 to £1,999	1,394,123	999	1,396
£2,000 to £4,999	2,707,556	865	3,130
£5,000 to £9,999	2,346,195	345	6,801
£10,000 to £19,999	2,119,420	149	14,224
£20,000 to £29,999	1,704,914	71	24,013
£30,000 to £49,999	2,211,176	59	37,478
£50,000 to £99,999	2,862,770	42	68,161
£100,000 to £499,999	3,227,993	21	153,714
£500,000 to £999,999	3,850,306	5	770,061
Over £1,000,000	3,313,556	3	1,104,519
Total	28,216,673	15,209	

The number of transactions has reduced from 17,663 in 2004/05 (reported in the 2005 Procurement Strategy).

5.3 Risk matrix of the Council's procurement activities

5.3.1 Services can be plotted on a grid which analyses them in terms of risk (or importance to the organisation) and value:-



The approach to procurement will depend into which category the service falls. Major categories of procurement activity are identified in Annex D and mapped to the matrix.

Strategic (High Risk/High Value) procurement includes:

- Term contracts for periods of three or more years.
- Single contracts for goods or services in excess of £100,000.

Bottleneck (High Risk/Low Value) procurement includes:

- Low value items that are important to the Council and which may be difficult to obtain at the time when they are required, e.g. emergency supplies.

Leverage (Low Risk/High Value) procurement includes:

- Purchases of goods and services of a similar nature totalling more than £10,000 per annum. In these circumstances the Council will be able to obtain better prices through bulk purchasing arrangements and consolidating invoices. This will include utilities and office supplies.

Routine (Low Risk/Low Value) covers:

- All remaining low value items.

5.4 **Strategic procurement**

5.4.1 For all strategic procurement decisions a multi-disciplinary project group is established to ensure that schemes achieve corporate outcomes. Progress is monitored by Departmental Management Teams or the Chief Officers' Management Team where more than one department is involved in the procurement.

5.4.2 A feasibility report is prepared for the relevant Committee. The procurement option(s) identified during a feasibility review have to be fully evaluated. The feasibility review reported to Committee covers:

- a specification of the service required, based on service outputs where feasible and relevant.
- research/understanding of the appropriate market.
- consultation with customers/users.
- discussion with staff and potential providers.
- indicative costs.

5.4.3 The evaluation should:

- define how much of the service should be exposed (based on maximising effectiveness and reducing process costs).
- define the contractual relationship (i.e. arms length or partnership).
- identify risks and decide how they should be shared.
- identify the appropriate quality assurance measures for the service.
- identify the possible implications for the Council as a whole.
- identify the contract period.
- state how the contract will be managed to achieve the specified outcomes.
- identify any equality implications.
- identify the sustainability impact.

5.4.4 The decision on whether a service is to be provided in-house or bought in will be based on an appraisal of the cost and likely quality outcomes for each option. Comparisons may be required between options that have different financial impacts over time so it is important in the case of strategic procurement decisions that costs are assessed over the lifetime of the asset or service (whole life costing). Where the preferred option is for a service is to be bought in, consideration is given to as wide a range of alternatives as is appropriate for that service (including the voluntary sector, other public sector providers and the private sector). It may be suitable in different cases to:

- buy in selective elements;
- contract the entire service out (with or without an in-house bid);
- form a joint venture or partnership (following competition for an external provider); or
- dispose of or sell off competitively the service and its assets to another provider.

5.4.5 Before proceeding further with the procurement process, there will be a formal review of the preferred method of procurement (what the IDeA calls a "gateway review"), asking the questions: do we really want to do this and do we want to do it this way?

5.4.6 A flow diagram reproduced from the Service Review Guide (Annex A) illustrates the Council's approach to competition.

- 5.4.7 The preferred option will be the one that overall:
- promotes best value for money for the Council Taxpayers.
 - offers the best balance between savings and quality improvements at the optimum cost of achieving this.
 - minimises uncertainty for staff.
 - provides the best long term opportunities for staff.
 - discourages the operation and price-fixing of cartels.

5.4.8 A post-project review will consider what went right and what went wrong with the procurement process and whether or not the strategy was successful.

5.5 Non-strategic procurement

5.5.1 Procurement falling into this category will generally not require the establishment of a project group or a feasibility report to Committee.

5.5.2 The option appraisal for leverage items shall follow that of Strategic Procurement. A formal record should be kept of the assessments made in order to demonstrate the transparency of the process.

- 5.5.3 Where the procurement of leverage items involves more than one department, this will be co-ordinated corporately:-
- The supply of gas, electricity and water contracts is the responsibility of the Building Services Manager.
 - Office consumables, office furniture and cleaning supplies is co-ordinated by the Purchasing Supervisor.
 - The procurement of IT consumables is the responsibility of the Head of ICT.
 - The procurement of telephones and mobile telephones is the responsibility of the Office Manager in the Department of Administration and Leisure.

These procedures are designed to achieve economies of scale, the application of specialist knowledge to the procurement process and the avoidance of additional costs that would be incurred if each department were to seek quotes and order for these items.

5.5.4 All routine procurement will follow the general principles of this strategy with adequate records being kept. Further guidance is provided in the booklet "Contract Standing Orders – Explanation and Guidance" and in the procurement section of the Council's web-site.

5.6 Prompt Payment

The Council recognises that an important factor in promoting a good and enduring relationship with external providers of goods and services is the prompt payment of invoices that are properly due for payment. It is also a mark of social responsibility. The Council has approved a prompt payment policy and this is set out in the Council's Financial Regulations (Part 4 of the Constitution) and reproduced below. Paragraph 16.4 of the Regulations requires Officers to comply with this policy.

Runnymede's Prompt Payment Policy

"Our policy is to:

- Send your payment by cheque or BACS in accordance with the payment terms agreed with you
- Where there are no agreed terms we will send you payment by cheque or BACS within 30 days of receiving a valid invoice from you
- Notify you within 14 days if we disagree with your invoice
- Not extend or alter payment terms without prior agreement from you
- Publish information which shows our performance against the 30 day target, and give reasons for any non-performance in our Annual Report

If you have reason to complain you have the right to use our complaint procedure. A leaflet explaining the procedure is available from the Civic Offices (telephone 01932 838383)."

6. E-PROCUREMENT

6.1 E-Procurement is a term that is used to describe the electronic exchange of information between two parties at any stage in the procurement cycle from sourcing to payment. It is most frequently used to describe the following processes:

- procurement systems that process transactions from ordering to payment (known as purchase to pay);
- stand-alone modules used to seek tenders or quotations (known as e-Sourcing);
- web-based systems that enable ordering from a range of supplies catalogues (e-Marketplaces);
- other web-based systems such as e-Auctions;
- procurement cards for ordering and payment;
- payment through BACS and CHAPS;
- electronic contract monitoring;
- systems for managing approved lists of suppliers.

6.2 In 2005 the Council invited the National e-Procurement Project (a Government sponsored project) to undertake a health check on the Council's procurement activities. Their report recommended that the Council

- Implement the Purchase order module of TASK in appropriate spend/service areas, in order to provide improved information on spend and some, basic workflow for requisition and order approval
- Look at the outstanding areas of low-value, high-volume spend and seek to reduce paperwork in the creation, approval and distribution of these orders and the approval of invoices.
- Work with major suppliers to expand the use of external supplier catalogues, until such time as the TASK e-procurement module is implemented. This should include a review of marketplaces and buying consortia
- Look to pilot an e-Auction in collaboration with another council
- Work with other councils who use TASK to develop a cost-effective, implementable and proven e-procurement solution for TASK
- Continue to expand the use of purchasing cards within the council
- Look to collaborate with other councils on tenders, initially through sharing key dates of key contracts with them
- Investigate the use of supplier portals with key suppliers
- Regularly undertake spend analysis and look to consolidate spend and reduce maverick spend where possible

6.3 The strategy subsequently adopted by the Council aimed to achieve the following objectives:-

Objective	Current status
Completion of the implementation of TASK Purchase Ordering	Achieved
Implementation of supplier registration on the Runnymede website	Not pursued. This facility is available on the regional portal.
Subscription to the regional portal	The Council uses the contract registration and advertising sections of the portal at no charge. No business case could be made for subscribing to the marketplace because this does not offer any advantage over the OGC and framework agreements that the Council already uses.
Purchase of an e-tendering system	Not purchased: no administrative advantage over using the existing e-mail system. Tender documentation is currently despatched electronically.

Objective	Current status
Creation of a countywide supplier registration facility	This has been superceded by the facility on the regional portal.
Subscription to an outsourced list of approved suppliers	Improvements in the service available from the OGC and Constructionline have made this unnecessary.
Scanning of invoices into DMS and provision of an interface between DMS and TASK	Invoices are scanned into DMS but the development of an interface will require investment in an upgrade to the TASK product.

6.4 The proposed strategy for e-procurement initiatives is set out in the following paragraphs.

6.5 **Advertising on the Web**

6.5.1 The Council's website includes a section called "Doing Business with the Council". This provides details of forthcoming tenders and information about the Council's procurement arrangements. This will be promoted as a primary source of information for suppliers.

6.5.2 Forthcoming tenders are also advertised on the south-east business portal hosted by Improvement & Efficiency South East (IESE). In order to maximise coverage, Officers will be encouraged to make more use of this site.

6.5.3 Tenders that are above European Union thresholds are advertised electronically in Tenders Electronic Daily (TED), which is the online version of the Official Journal of The European Union (OJEU).

6.6 **Tendering**

6.6.1 Tender documentation is despatched electronically but there are no arrangements in place to receive tender submissions electronically. An e-mail address will be established to enable the entire tender process to be conducted electronically where tenderers have indicated an ability and desire to tender electronically.

6.6.2 Electronic versions of standard contract conditions will be obtained to facilitate electronic tendering.

6.7 **Supplier lists, catalogues and electronic sourcing**

6.7.1 The Council will continue to use the OGC framework and Constructionline as an electronic supplier list.

6.7.2 The Council will continue to use framework agreements that provide electronic catalogues.

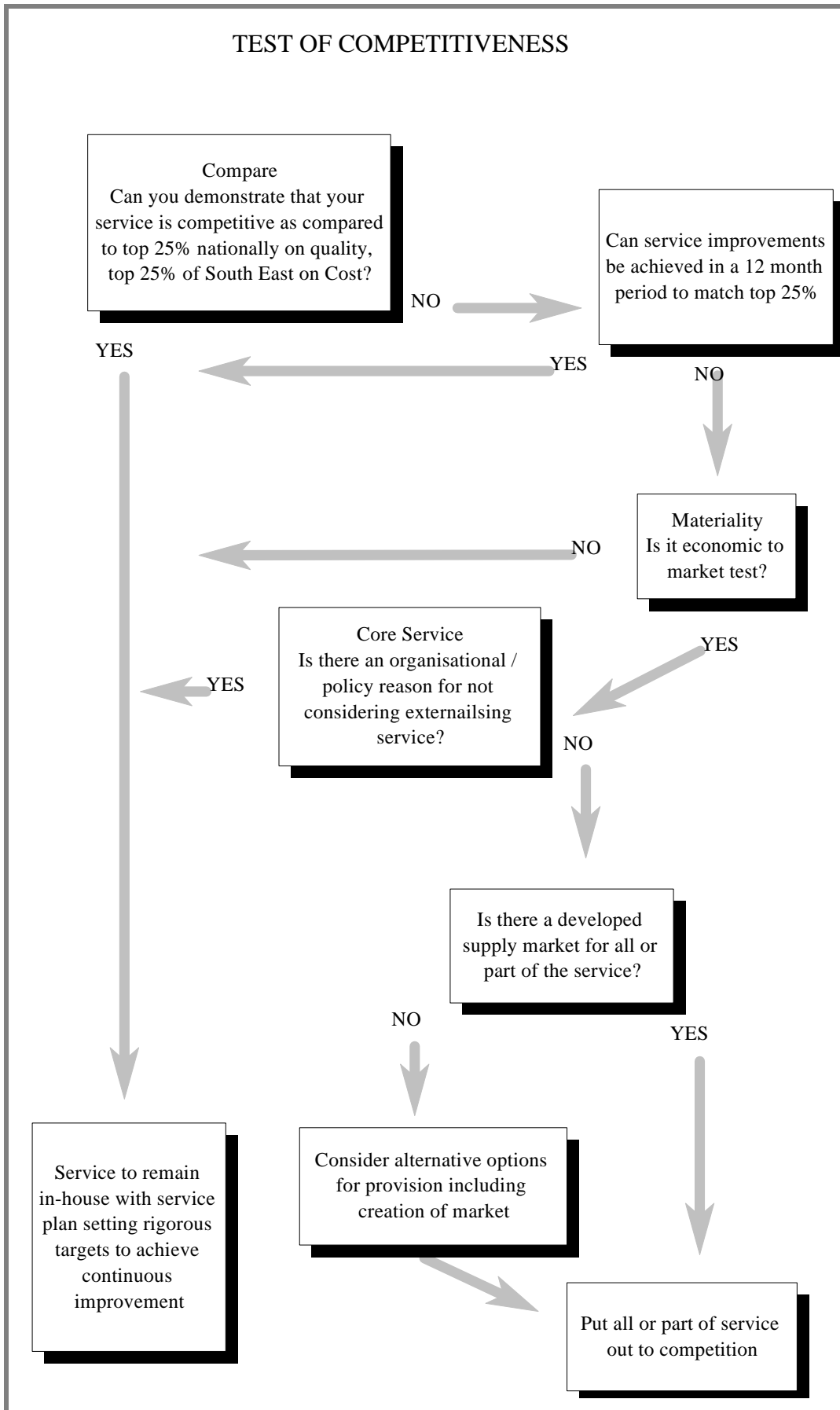
6.7.3 Internet based price comparison sites will continue to be used to test prices and identify competitive suppliers.

6.8 **e-auctions**

6.8.1 In the past the Council has participated in e-auctions jointly with other public sector organisations. However, Council contracts are generally not large enough to justify conducting an e-auction alone. The Council will continue to participate in joint e-auctions when appropriate. This will include the participation in e-auctions through the OGC or joint contracts when these opportunities arise.

6.9 ***Invoice processing and payment***

- 6.9.1 Opportunities to reduce the number of invoices being processed will continue to be pursued with suppliers.
- 6.9.2 The Director of Finance has approved the use of Purchasing Cards in circumstances where the usual invoicing arrangements are impractical or not cost-effective. This will be kept under review and further use approved where it can be demonstrated that this will drive down the cost of procurement without compromising financial control.
- 6.9.3 The TASK purchasing module has been implemented and invoices are scanned into the DMS. The development of fully integrated purchase-to-pay arrangements in the TASK Financials system has the potential to create further administrative savings. The feasibility of achieving this will be investigated and a business case submitted to the Corporate Management Committee.



*Extract from the Runnymede Borough Council Environmental Activities Review***10. ENVIRONMENTAL PURCHASING POLICY****10.1 Recycled Products**

Overall the Council's policy is to purchase recycled materials wherever possible, and to try to ensure those products purchased are capable of being recycled themselves eventually
Printing and photocopying paper, committee report paper, paper towels and cleaning rags are made of recycled materials. Toner cartridges and gas bottles are refilled.

10.2 Non-Sustainable Products and others which harm the Environment

Products may be environmentally damaging at various stages of their life cycle:

- *extraction/harvesting of the raw material, e.g. tropical hardwoods*
- *the production process, e.g. manufacture of chlorine bleached papers or solvent based paints*
- *in use, e.g. energy inefficient equipment; cleaning materials can pollute water*
- *on disposal, e.g. batteries containing heavy metals which pollute ground water*

Deciding which products are more environmentally friendly than others is not always clear cut. Often it is necessary to weigh good and bad aspects of a product. However, there are some products generally agreed to be more environmentally friendly than others.

There is general presumption against the purchase of materials which are either non-sustainable or directly harm the environment and this will include tropical hardwoods, C.F.C.s, *lead-based paints*, persistent herbicides and pesticides. There is a presumption against the purchase of peat wherever alternative composts can be used.

(i) Use of pesticides

All pesticides used by the Council and its contractors comply with the Control of Pesticides Regulations 1986 and are only applied by fully trained personnel who hold certificates of competence granted by the Ministry of Agriculture, Fisheries and Food.

Wherever possible the use of pesticides and herbicides has been reduced in order to reduce the contamination of local water supplies. The Council recognises that this requires the acceptance that some weeds are better than polluted water.

(ii) Use of weedkillers

Only non-persistent products are used. Wood preservatives containing pentachlorophenol, lindane or tributyltin oxide (T.B.T.O.) are avoided as are the use of atrazine and simazine as total weed killers. No chemicals on the "U.K.'s red list and E.Cs black list" are permitted.

(iii) Use of artificial fertilisers

Use is generally restricted to the Council's bowling greens and cricket squares and use will be further reduced where suitable alternatives exist. It is recognised that artificial fertilisers are associated with increased nitrate pollution of lakes and rivers leading to a reduction in aquatic life and pollution of water supplies.

(iv) Use of peat

No peat is used in the Council's parks and gardens and the use of compost has increased. This is in recognition that the world's peat bogs are being reduced at an alarming rate so destroying valuable wet land habitats and releasing carbon dioxide - the principal green house gas.

(v) CFCs

The Council recognises that C.F.Cs are the most powerful of the "greenhouse gases" and directly associated with destruction of the ozone layer of the earth's atmosphere.

Refrigerators and freezers are collected in special collections, are taken to an outlet for recycling of C.F.Cs and not for direct disposal to landfill.

Building insulation - there is a presumption against the use of blown C.F.C. foam insulation in Council building contracts as alternatives such as mineral wool are readily available. This will be specified at the tender stage.

(vi) Cleaning products

Preference should be given to biodegradable products and non-chlorine and non-phosphate-based products.

10.3 Energy efficient products

When replacing equipment, preference should be given to energy efficient materials: for instance EnergyStar computers, photocopiers with a low stand by power consumption and printers with a duplex function.

Low energy light bulbs should be preferred as they on average use 20% of the energy and last up to ten times longer than conventional bulbs.

10.4 Packaging

Purchase of over-packaged goods should be avoided.

Where possible suppliers should be encouraged to re-consider their packaging practices by reducing, re-using or recycling the packaging material and by using packaging made from recycled materials.

10.5 Selection of suppliers

Environmental considerations should be taken into account when assessing new suppliers. Where quality and value for service are equal, preference should be given to suppliers with an environmental management system in place or to those businesses that have started considering their environmental performance.

The use of local suppliers should also be encouraged, in order to reduce transportation implications.

[Source: Runnymede Borough Council Environmental Activities Review, March 2001]

USEFUL LINKS

Improvement and Development Agency

The Improvement and Development Agency have produced a series of practical guides on a range of procurement issues including e procurement, procurement and equalities and sustainable procurement
www.idea.gov.uk/idk/core/page.do?pagelid=71665

Sustainability and local government procurement

Published by the Defra, this guide explains how local authorities can develop and implement a sustainable procurement policy
www.defra.gov.uk/sustainable/government/advice/local/index.htm

Buy IT Best Practice Network

<http://www.buyitnet.org>

The Office of Government Commerce

<http://www.ogc.gov.uk>

The Society of Procurement Officers

This lists useful links to other sites:-

http://www.sopo.org/resources/links/sopo_links.htm

Improvement & Efficiency South East (IESE)

The South East Regional Improvement & Efficiency Partnership (RIEP), established to help the region's 74 local authorities in their drive to increase efficiency and improve services.

<http://www.southeastiep.gov.uk>

Improvement & Efficiency South East (IESE) Business Portal

The Portal is designed to allow the sharing of information about existing contracts (Contract Store) and forthcoming tendering opportunities (Opportunities) across the 74 councils* and 9 fire & rescue services of the south east region.

www.businessportal.sece.gov.uk

Constructionline

Constructionline is the UK's largest certified pre-qualification database,

<http://www.constructionline.co.uk>

MATRIX OF PROCUREMENT ACTIVITIES

Goods or Service	Existing Procurement Arrangements	Matrix Analysis
Advertising	Traditional quotation / tendering exercise/ SCC contract	Medium value/low risk
Agency Staff	Traditional quotation / tendering exercise	High value/medium risk
Cleaning	Traditional quotation / tendering exercise	Medium value/medium risk
Computer Hardware - Personal	Procured using OGC Buying Solutions	High value/high risk
Computer Hardware - Network	Traditional quotation / tendering exercise / OGC Buying Solutions	High value/high risk
Computer Software	Traditional quotation / tendering exercise	High value/high risk
Construction Contracts	Mixture of traditional quotation / tendering exercise and use of Constructionline - external providers	High value/ high risk
Consultancy	Traditional quotation / tendering exercise - OGC Buying Solutions/ external provider	High value/low risk
External Printing	Traditional quotation / tendering exercise - external provider	Medium value/low risk/leverage
Furniture	Traditional quotation / tendering exercise	Low value/low risk
Insurance	Traditional quotation / tendering exercise	High value/high risk
Lease Cars	Traditional quotation / tendering exercise	Medium value/low risk
Mobile Phones	OGC Buying Solutions	Medium value/low risk
Photocopiers	Traditional quotation / tendering exercise/ OGC Buying Solutions	Medium value/low risk
Property Maintenance	Traditional quotation / tendering exercise - external providers	High value/medium risk
Refuse contract	Traditional quotation / tendering exercise - in-house provider	High value/high risk
Stationary Supplies	Traditional quotation / tendering exercise/ Local Authority Buying Consortia	Low value/low risk
Street Cleansing	Traditional quotation / tendering exercise - in-house provider	High value/high risk
Utilities	OGC Buying Solutions / LASER	High value/medium risk/
Vehicle provision	Traditional quotation / tendering exercise/ Local Authority Buying Consortia	High value/medium risk

Key

Low value = £0 to £10,000

Medium value = £10,001 to £100,000

High value = over £100,000

RISK MANAGEMENT STRATEGY FOR MAJOR CONTRACTS

- 1.1 All major procurements should be adequately planned and due consideration given to the resources required to achieve completion within the desired timescale. A procurement plan shall be prepared for each project at the outset. The plan should indicate the timetable for key stages (e.g. budgetary approval), the resources that are required (e.g. staff time, consultants and funds), and the proposed management and monitoring arrangements.
- 1.2 Project managers should ensure that effective lines of communication are established at the outset, and are maintained throughout the contract process, to ensure an adequate and regular dialogue between the client representative, stakeholders, and the service provider. This should include regular progress meetings with contractors at which method statements, health and safety and the time, cost, and quality of work are consistent agenda items.
- 1.3 An officer should be designated at the outset for each contract with the responsibility, and sufficient authority, for ensuring that the contract is adequately managed and monitored and that service delivery adheres to all relevant current legislation and health and safety requirements. Where appropriate, this person should be involved in the pre-contract process of tender development (e.g. preparation of specification).
- 1.4 Effective and efficient methods of contract monitoring and reporting shall be established throughout the contract. Such methods should include monitoring of programme, costs and service delivery against specification, and shall be proportionate to the cost and risks involved.
2. When planning a procurement, consideration should be given to what can go wrong:-

	Issue	Matters to consider
1.	Supplier does not perform/withdraws	<ul style="list-style-type: none"> • Penalties • Liquidated damages • Bond • Financial appraisal of tenders • Financial check of tenderers • Obtain references • Contract enforcement
2.	Costs exceed contract sum	<ul style="list-style-type: none"> • Adequate specification • No ambiguity about what is included in the contract • If appropriate, adequate budgetary provision for contract additions • Contract monitoring
3.	Supplier creates a bad reputation for the Council (environmental, attitude, appearance etc)	<ul style="list-style-type: none"> • Specification • References • Contract enforcement • Contract monitoring • References • Training • Equality policy
4.	Supplier attempts to conceal work that is not fit for purpose or does not comply with specification	<ul style="list-style-type: none"> • Specification • Contract monitoring •
5.	Financial impropriety	<ul style="list-style-type: none"> • Declarations of interest • Contract monitoring • Financial control • Audit

- 2.2 Procedures established for letting and managing major contracts should be appropriate to the risks that have been identified.
- 2.3 All identified risks should be managed and allocated to those most able to manage them.

National Procurement Concordat for Small and Medium-sized Enterprises

A statement of principles to encourage effective trade between local authorities and small businesses.

Introduction

We are committed to delivering locally the National Procurement Strategy for Local Government. The strategy asks local authorities to adopt a small and medium sized enterprise (SME) friendly procurement concordat and to encourage a mixed range of suppliers in order to help develop and stimulate a varied and competitive marketplace. The concordat sets out the actions that local authorities will take to make their contracts more accessible to SMEs.

Although the principles should relate to all SMEs, the concordat is particularly focused on small businesses of less than 50 employees.

We recognise the important contribution that small businesses can make to the delivery of public services and the vital role these businesses play in the national and local economy. We are committed to making the most of the benefits offered by them.

Underlying Principles

Contracts are awarded in order to support the Best Value delivery of local government services. We will deliver value for money and take into account the whole life costs in contract decisions; this means considering quality, longer term cost and benefits as well as initial price.

We will make appropriate use of our legal powers including the power to promote the economic, social and environmental well being of our community.

All tender processes and contract awards will comply with EU Public Procurement Directives and the principles of non-discrimination, equal treatment and transparency and our duties under UK law.

Local Authority Commitments

Procurement strategy

We will publish a corporate procurement strategy. The strategy will include a commitment to:

- The role procurement plays in delivering the Council's objectives and its contribution to the community strategy, workforce issues, diversity and equality and sustainability.
- How we will encourage a diverse and competitive supply market, including small firms, social enterprises, ethnic minority businesses and voluntary and community sector suppliers.

A commitment to ensure that our approach to individual contracts, including large contracts and framework agreements etc, is supported by a sound business case and options appraisal.

A commitment that where we decide that the best value option is to aggregate supply or let a longer term contract or framework agreement we will invite bidders to demonstrate their track record in achieving value for money through effective use of their supply chain.

A commitment to consider the role of SME specialist suppliers in delivering elements of larger contracts and framework agreements.

Access to contract opportunities

- We will publish on our website;
 - Guidance for suppliers on how to do business with the council;
 - details of forthcoming bidding opportunities, and;

contact details for each contract, with appropriate links to any regional site and the national public sector opportunities portal (to be launched Summer 2005).

Details of our key suppliers.

- We will advertise contracts. We will use a range of publications and other means in order to encourage greater diversity and competition.
- We will give potential suppliers an opportunity to discuss the procurement in order to understand our requirements and assess their own suitability. Nothing will be done, however, which would give a particular business or provider an unfair advantage in competing for a specific contract.
- We will work with prime contractors - both at tender stage and during the life of a contract - to establish the contribution that small firms, ethnic minority businesses, social enterprises and voluntary and community sector suppliers can play in the supply chain. We will provide details of our prime contractors on our website.

Fair tender processes

- We will apply our own rules and policies fairly.
- At pre-tender stage and during the tender process we will ensure that all tenderers have equal access to relevant information.
- We will keep the tender process as simple as possible in order to help minimise the costs to suppliers.
- If a pre-qualification stage is used we will use a Council-wide pre-qualification questionnaire containing common core questions with limited bespoke additions for each contract. We will work with regional and national partners to ensure a consistent approach to pre-qualification.
- We will assess potential suppliers against published pre-qualification and tender evaluation criteria. These criteria will be proportionate to the risks of the individual contract process. In particular the criteria relating to financial standing will not to be set to unreasonably exclude newer businesses.

Feedback

We will offer meaningful feedback to suppliers following the procurement process in order that suppliers can improve for future tenders.

- We will seek feedback from suppliers, and their respective trade associations, on our tender processes and address where we can any problems that are brought to our attention.
- We will publish a complaints procedure.

Contract management

- *We will treat suppliers openly and fairly. Suppliers will:*

Be paid on time. No more than 30 days from receipt of an undisputed invoice.

Receive honest and constructive feedback on the supplier's performance of the contract.

Be given notice of any performance problems and an opportunity, if appropriate, to put matters right.

- All contracts will require our suppliers to pay their sub-contractors, throughout the supply chain, within 30 days from receipt of an undisputed invoice.

Supplier commitments

As customers we will make clear to our suppliers, and those wishing to do business with us, what is expected of them.

Runnymede Business Partnership

The Council will continue to support and promote closer links with the local business community through the Runnymede Business Partnership.

Declaration of support for the small business friendly concordat

The ODPM, the LGA and Small Business Service want to see all local authorities sign up to the Small Business Friendly Concordat. The Concordat is a voluntary, nonstatutory document, and your signature will not only demonstrate a pledge to actively engage with small businesses, but it will also show your authority's commitment to good procurement practices in general. This in turn should help foster a professional approach to managing procurement in your authority and, in doing so, help you implement key strategic objectives and milestones in the National Procurement Strategy for Local Government.

Approved by Corporate Management Committee 6 October 2005

EQUALITY IMPACT ASSESSMENT

Procurement of goods and services for:-	LEAD OFFICER:-
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CONTRACT PURPOSE:-

Does the contract fall into the strategic or leverage categories? Yes/No

Is the contract likely to have an impact on a significant proportion of residents or staff:
e.g. Staff in “...” section / residents in receipt of benefits / users of “...” service

Could service resulting from this contract be delivered differently because of people’s racial group, ethnicity, disability, gender, religion, belief, sexual orientation or age, for example, because they have particular needs, experiences or priorities?

Disability	<input type="checkbox"/>	Age	<input type="checkbox"/>
Race	<input type="checkbox"/>	Religion	<input type="checkbox"/>
Gender	<input type="checkbox"/>	Sexual orientation	<input type="checkbox"/>

If the answers to the above questions are “no” you need not complete the remainder of this EIA. If they are “yes”, or “don’t know”, please continue...

Do you know how these groups could be affected?if “yes”, please state how (eg. Existing customer feedback , statutory constraints on your service)

If “no”, who will you consult to find out? How will you ensure you consult ‘hard-to-reach’ groups?

RESEARCH/CONSULTATION

Please give details of any consultation already undertaken to establish that the service delivered under this contract is accessible by all members of the community who are eligible to access it. This might include feedback when work has been completed for tenants, or Residents’ panel feedback or regular service reviews.

IMPACT ASSESSMENT

From the data you have available, is it possible to establish whether any specific group might be more adversely (or positively) affected than others, consider what the potential impact might be.

Could the contract lead to direct or indirect discrimination? If you don't know, it may be that you need to undertake more consultation to find out. You will need to monitor the service delivered under this contract to confirm your views.

It is often helpful to review the impact under the headings of the different equality strands, ie. Race/disability/gender/age/religion or belief/sexual orientation/age.

DOES THE POLICY REQUIRE AMENDMENT OR RE-CONSIDERATION ?

Either outline changes required or indicate why none are necessary.

What actions or changes will you feed into your service as a result of this EIA ?

This might include improving data collection in order to give a clearer picture of your service-users. It may include, for example: physical adjustments to a building, arranging for information to be sent out to individuals in alternative formats or languages, meeting with people face-to-face to explain your service, consulting with a wider group of people to understand how your service is received and its impact on them.

Date completed:

Sustainability Impact Assessment

Theme (Potential impacts of the project)	Positive Impact	Negative Impact	No specific impact	What will the impact be? If the impact is negative, how can it be mitigated? (action)
Use of energy, water, minerals and materials				
Waste generation / sustainable waste management				
Pollution to air, land and water				
Factors that contribute to Climate Change				
Protection of and access to the natural environment				
Travel choices that do not rely on the car				
A strong, diverse and sustainable local economy				
Meet local needs locally				
Opportunities for education and information				
Provision of appropriate and sustainable housing				
Personal safety and reduced fear of crime				
Equality in health and good health				
Access to cultural and leisure facilities				
Social inclusion / engage and consult communities				
Equal opportunities for the whole community				