



# Procurement Policy

May 2023

## Contents

1. Purpose and Context .....	3
2. Procurement Planning and Methods .....	4
3. Contracts and Agreements .....	7
4. Supporting the Delivery of Council's Priorities .....	8
5. Commitment to Climate Change Strategy and Action Plan 2030 .....	8
6. Commitment to Social Value and Community Wealth Building .....	9
7. Exemptions to Contract Procedure Rules.....	9
8. Monitoring and review .....	10

## **1. Purpose and Context**

### **1.1 Purpose**

This document sets out the policy for Council officers to follow when purchasing works, goods and services on behalf of West Lancashire Borough Council. The policy should be followed alongside the associated guidance documents that form the Council's Contract Procedure Rules.

This policy is designed to ensure effective procurement processes are followed to ensure we achieve maximum value for money, social value and increased efficiencies in line with the Council's relevant Economic Strategy. We will adopt a transparent, competitive and fair approach to procurement whilst ensuring compliance to all statutory and regulatory requirements.

This policy is designed to ensure an appropriate and proportionate approach to procurements for all levels and types of spend. All officers involved in procurement activity are responsible for ensuring they are familiar with and adhere to this policy and associated guidance and procedures.

### **1.2 Objectives**

The objectives of this policy and associated guidance and procedures are:

- To provide clear guidelines and methods by which West Lancashire Borough Council procures and contracts for services, goods and works.
- To establish a clear process for selection and award criteria for the appointment of contractors and suppliers
- To achieve the key procurement principles:
  - Delivering value for money;
  - Maximising public benefit;
  - Sharing information for the purpose of allowing suppliers and others to understand the authority's procurement policies and decisions;
  - Acting, and being seen to act, with integrity.

### **1.3 Legal Context**

This policy has been developed to help West Lancashire Borough Council comply with a range of statutory and regulatory requirements. They include:

- Public Contract Regulations (2015)
- Utilities Contract Regulations (2016)
- Concessions Contract Regulations (2016)
- Public Procurement Regulations (2016)
- Equality Act (2010)
- Public Services (Social Value) Act (2012)
- Local Government Transparency Code (2015)
- The Procurement Bill (to be called Procurement Act 2023)

### **1.4 Code of Conduct**

All West Lancashire Borough Council officers engaging in procurement activity shall be aware of this policy and associated legal Acts and Statutory requirements when undertaking any procurement activity.

## **2. Procurement Planning and Methods**

### **2.1 Procurement Planning**

It is essential to allow sufficient time to effectively procure services, goods and works to ensure:

- We achieve the right outcome;
- We achieve the best Value For Money for the Council;
- The correct and necessary authorities for the planned procurement are in place;
- A clear understanding of the available budget to deliver the service being tendered for.
- Meaningful and appropriate pre-tender market engagement;
- Development of well-considered, sufficiently detailed tender specifications and briefs;
- Adherence to legal requirements for all necessary notices and advertising;
- Consideration to identify relevant and appropriate social value requirements;
- Identification of key stakeholders and any impact the planned procurement may have on other services, departments and customers;
- Informed decisions regarding the route to market and appropriate procurement method to be utilised.

Typically, from the identification of the need to procure to contract award the process can take from 6-9 months for simple unmodified rebuy procurements to 18-24 months for a new, strategic and complex procurement.

### **2.2 Methods of Procurement**

There are various ways in which West Lancashire Borough Council can procure goods, services and works from framework call-offs to competitive tenders. It is essential that officers engage at the earliest possible opportunity and work through the procurement team to identify the most appropriate route to ensure the key procurement principles are met and compliance adhered to for the relevant rules, regulations and legislation.

West Lancashire Borough Council have set requirements that must be met by suppliers. Demonstration that these criteria are met will be assessed when considering the inclusion of tender submissions to the evaluation process or where appropriate when considering bidders to be invited to provide a tender submission.

The requirements include adequate insurance, financial checks and ethical considerations consistent with our values and priorities as a commercially minded authority.

## **2.3 Pre-Tender Process**

The steps carried out at the pre-tender stage are essential and they provide the foundation for successful procurement by helping officers make fully informed decisions whilst ensuring we achieve the right outcome, within the required timescales whilst ensuring we achieve Value for Money.

Early market engagement is when the Council engages with potential suppliers prior to buying goods, services or commissioning works offering opportunity to the suppliers to inform decisions on the Specification whilst warming the market up to the future opportunity.

This process of gathering market intelligence is 'best practice' and officers must consider this step as part of the preparation process for all Council spend.

The early engagement will enable officers the opportunity to ask suppliers questions on important decisions or aspects which will help to refine the Specification. The process helps to gain a better understanding from the suppliers about what is possible and the solutions that are available to the meet the requirements of the service.

## **2.4 Tender Process**

All tenders will follow the recommended process outlined in the procurement procedure based on the value and likely interest of the contract. Current UK thresholds are outlined in the procedure.

Upon confirmation of authority and budget a member of the procurement team will be assigned to the project and will guide and assist the contract owner through the required process.

All tenders will be based on a standard specification to ensure consistency of returned information and will follow the required process as outlined in the tender guidance which details the number of tenderers required, reporting, scoring and evaluation.

Tenders will be advertised via the e-tendering portal when appropriate, scoring matrices will be provided to ensure a consistent and fair approach to evaluation. Results will be weighted against price and quality. Within the quality weighting it is a legislative requirement that for all tenders over £25,000 a minimum of 10% should reflect social value. West Lancashire Borough Council officers will be required to set a higher figure for social value on appropriate tenders, specifically where price is not the most essential outcome of the tender.

West Lancashire Borough Council will make use of external frameworks where it is considered to add value to the procurement process.

Tender reports will be produced identifying the preferred bidder in line with the tender scoring criteria and the best value in terms of cost and quality.

When considering a contract, officers should adopt the whole procurement lifecycle of the contract ensuring due consideration is given to each of the stages identified below in the CIPS Procurement Lifecycle

(Source: [www.cips.org/en-gb/knowledge/procurement-cycle/](http://www.cips.org/en-gb/knowledge/procurement-cycle/). Copyright CIPS 2014)



## 2.5 Typical Tender Timeframes

### Stages 1 – 5 Pre-Tender

#### **Simple / Re-buy Procurements**

Typically, 10-14 weeks dependent upon the level of pre-market engagement to be carried out.

#### **Complex/New Procurements**

Typically, 12-20 weeks dependent upon the level of pre-market engagement to be carried out.

### Stages 6-8 Tender

#### **Simple / Re-buy Procurements**

Typically, 8-16 weeks for an Open Procedure or Request For Quotation

#### **Complex/New Procurements**

Typically, 12-24 weeks dependent upon the route to market and regulatory notification requirements based on the value of the contract.

### Stages 9 Contract Award and Implementation

#### **For all Contracts/Procurements**

Can take between 6-12 weeks depending on complexity of contract and which form of contract is utilised.

### Stages 10-13 Post Tender

#### **For all Contracts/Procurements**

To be reviewed throughout the lifetime of the contract.

## 3. Contracts and Agreements

### 3.1 Form of Contract

Officers should make themselves aware of the contracting requirements set out in the [Financial Regulations, Scheme of Delegation and Contract Procedure Rules](#). These documents set out;

- The requirement to set out contract terms in writing,
- The authorised officer and process for execution of contracts for different thresholds,
- The form of contract which should be adopted for different types of contracts.

Where a contract is made wholly in writing, it can be structured in one of two ways:

- As a simple contract (sometimes referred to as an agreement under hand) which has a 6 Year limitation period;
- As a deed executed in so-called 'solemn form' (Under seal where applicable) which has a 12 Year limitation period.

### 3.2 Contract Terms

Contract terms will normally comprise of service specific terms, and West Lancashire Borough Council standard terms appropriate for the type of service, goods or works being procured.

Contract schedules are required to protect West Lancashire Borough Council from associated risks, they include, but are not limited to:

- Liabilities and Indemnities;
- Sub-Contracting;
- Insurances;
- Confidentiality and Data Protection;
- Payment Terms;
- Performance Measures;
- Dispute Resolution;
- Termination.

### 3.3 Contract Performance Management

Officers should utilise the WLBC Contract Risk [Matrix](#) when considering the approach that will be taken to manage and monitor performance. Appropriate Key Performance Indicators (KPIs) should be considered and incorporated prior to entering any procurement activity or agreements alongside the approach and defined in the contract terms / supplier agreements.

## 4. Supporting the Delivery of Council's Priorities

In all procurements over £25,000 officers must ask bidders to demonstrate what they will do to support the Council achieving its strategic objectives. Bidders should be signposted to the website with a link to the relevant page: [Council Vision and Priorities - West Lancashire Borough Council \(westlancs.gov.uk\)](https://www.westlancs.gov.uk/council-vision-and-priorities)

## 5. Commitment to Climate Change Strategy and Action Plan 2030

All tenders should make reference to and where appropriate request suppliers to demonstrate how they will contribute to the [Council's Climate Change and Strategy Plan 2030](#).

The seven key priorities for action which should be considered are:

- Delivering a Carbon Neutral Council
- Sustainable Procurement
- Transport and Travel
- Residential buildings
- Commercial activity
- Community Action
- The Natural Environment



## 6. Commitment to Social Value and Community Wealth Building

Social value will be considered in the procurement activities of West Lancashire Borough Council in the following ways:

- All procurement activity should include relevant and proportionate social value requirements linked to the procurement activity.
- Where purchasing goods or services, social value will be considered within the tender specification, with an absolute minimum weighting of 10%, in most cases the figure will be higher.
- When producing the specification there is an expectation that local contractors or suppliers are able to bid wherever possible. West Lancashire Borough Council will take a pro-active approach to engaging and enabling local contractors or suppliers to ensure they are able to bid for opportunities.

Through the inclusion of social value in procurement opportunities West Lancashire Borough Council expect businesses and other organisations to contribute towards and support the council to deliver upon the following Community Wealth Building principles and objectives:

- Chosen suppliers will bring benefits for the West Lancashire economy and its people and contribute towards addressing wider social and environmental challenges;
- Engaging with and supporting local communities to improve the levels of employment, skills, health and well-being;
- Think about their own direct workforce and where possible, supporting those residents from more deprived parts of West Lancashire into employment opportunities;
- Suppliers should think about their own supply chains for the delivery of the contract and demonstrate the extent to which their own suppliers and sub-contractors are based in West Lancashire;
- Suppliers should think about social value and demonstrate how in addition to the delivery of the contract they are going to deliver a range of other benefits for the West Lancashire economy and its people and in turn address social and environmental challenges.

## 7. Exemptions to Contract Procedure Rules

In exceptional circumstances, a waiver of certain [Contract Procedure Rules](#), Relevant Legislation or Regulatory Guidance may be required in order to achieve the Council's aims. All applications for waivers must be fully justified and advice must be sought from Procurement and Legal to assist in the decision making process.

Such special circumstances would include

- only one company makes the product which the Council wishes to purchase and no other product is a reasonable substitute
- a recent tender exercise has shown that one supplier/contractor provides significantly better value than anyone else for the product/work in question
- urgency, resulting from circumstances beyond the Council's control, means that there is insufficient time to obtain tenders in accordance with the procedures set out in Contracts Procedure Rules.

Officers are advised:

- No discussions should be held with suppliers until such advice has been sought.
- Exemptions cannot be granted retrospectively (after non-compliance to CPRs has occurred).

Offers requesting an exemption must complete the [Exemption Form](#) and send to the Procurement and Contracts Manager. Please allow 2 working days for Procurement to review the request.

## **8. Monitoring and review**

All procurement exemptions authorised will be reported quarterly to the Audit and Governance Committee.

This policy will be reviewed every 3 years by the Procurement Team.

All budget holders should ensure that anyone given authority to spend is aware of and supported to ensure compliance with the procurement policy.