

Procurement Strategy

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Foreword

This is an exciting time for our city, residents, and businesses, with billions of pounds of investment either planned or on site across the city. Significant changes are happening to the city skyline, with a range of new developments and opportunities.

At **City of Wolverhampton Council**, procurement is emerging from the back office and is being embraced as a change-making strategic function, particularly with the Council's support of the **Wolverhampton Pound** approach detailed in this strategy. It is recognised that procurement has the power and leverage to lead the Council towards its long-term vision and to ensure that the priorities set out in the **Our City: Our Plan** are achieved.

Building a strong procurement team with the right capabilities, is at the heart of our new **Wolverhampton Pound** approach. The approach seeks to rejuvenate our local economies, support our business, and ensure that we have a thriving voluntary and community sector and deliver value for money.

The procurement team has supported the Council in its response to recent challenges such as the Covid 19 pandemic and it is an essential element of the Council's efforts to ensure value for money while delivering higher quality services.

The Council recognises the crucial importance of building a highly skilled leadership group within the procurement team, who are recognised as senior professionals. The Council also recognises the importance of supporting employee development through ongoing specialised training to support their career aspirations.

Procurement supports stakeholders across the organisation to understand their aspirations and plan using data insights to ensure economies of scale while supporting sustainability and social value.

The Council has a large number of support services that sit under strategic finance, one of which is procurement.

As an organisation we have a significant level of change going on at the moment and it's a real opportunity to bring the procurement function along that journey and really add value to the Council.

Preface

Our City: Our Plan

The plan sets out the shared long-term ambitions for the city. It is structured around six key priorities and three cross cutting principles.

The plan informs all Council strategies and plans, and is a key driver around the formation of the Procurement strategy.



As well as the procurement of contacts for service delivery the procurement process provides the opportunity to secure additional benefits towards our Council priorities. This could include:

- **Ensuring suppliers offer training for our young people through work experience or apprenticeships** – *Strong families where children grow up well and achieve their full potential*
- **Supporting local communities to flourish by ensuring opportunities for training and jobs are available locally** – *More local people into good jobs and training*
- **Enhancing the local environment by considering the sustainability framework** – *Climate conscious*
- **Utilising the Procurement equalities framework** – *Fair and Equal*
- **Supporting local SMEs by ensuring wherever possible we offer opportunities to the open market** – *Thriving economy in all parts of the city*
- **Ensuring contracts offer opportunities for training in digital skills** – *Driven by Digital*
- **Commitment to our children and young people in care as part of our corporate parenting responsibilities to identify training opportunities via our contracts** – *Strong families where children grow up well and achieve their full potential*

Wolverhampton Pound

The Council has committed, with the Wolverhampton Anchor Network, to

- Retain and grow local wealth by keeping more spend local
- Embedding social value in the city
- Leading in the green transition
- Supporting the health and wellbeing economy
- Growing the cultural and creative economy

The Anchor Network members are:

- City of Wolverhampton Council
- Wolverhampton Homes
- University of Wolverhampton
- The Royal Wolverhampton NHS Trust
- City of Wolverhampton College

The Procurement Service is committed to the following:

- Encouraging and supporting local SMEs to bid for contracts with the Council
- A pipeline will be published annually identifying 3 years of opportunities to support local SMEs to bid for work.
- A working group co-ordinates our approach to encourage SMEs to bid for opportunities, this links into the ‘**Supplier Code of Conduct**’. A standardised approach will be developed for all market engagement.
- Ensuring that there is equality of opportunity for all suppliers.
- Collaborating with the **Wolverhampton Anchor Network** and other key local partners whenever possible to ensure:
 - That we maximise the retention of our combined spending in Wolverhampton
 - Value for money for Wolverhampton and the wider **West Midlands Combined Authority** area.
- Supporting the local economy by going to open competition wherever possible and moving away from national frameworks to offer opportunities to local SMEs.
- Where appropriate support our local economy by offering long term contracts to deliver services.
- Working with local groups to offer support to SMEs when bidding for opportunities.
- Supporting the local supply chain by offering at least 4 local suppliers (where available) the opportunity to bid for low value quotes under £75,000.

Introduction

The overarching purpose of the Procurement Strategy is to provide a framework to support the delivery of high-quality public services that offer value for money.

Procurement should be undertaken to further the strategic objectives of the Council and align to the **Local Government Association National Procurement Strategy** and objectives of the **National Procurement Policy Statement**.

Our focus will be on compliance with relevant legislation, value for money (VFM), supporting local suppliers through **Wolverhampton Pound** and mitigation of risk which are key priorities for delivery of public services.

This strategy sets the best practice and high standards that we will work to and how we will maximise the benefits from what we spend.

Underpinning the strategy will be a Procurement service business plan which will be a live evolving document with a link back to **Our City: Our Plan**.



Key objectives

Support the priorities of the 'Our City Our Plan' and ensure it is considered in everything we do. The following key objectives support the development of the Procurement strategy and supporting business plan.

Sustainability

- To support the Council's commitment to be climate neutral by 2028 we will consider and evaluate the activities we procure taking into account carbon reduction and other environmental impacts within our supply chain. To support this our sustainability framework will consider carbon reduction plans of suppliers for contracts with a value above two million pounds.

Social Value

- Plan our procurement activity in such a way as to obtain investment within Wolverhampton to support the priorities in the **Our City: Our Plan**.
- Support the social value strategy and framework.
- Support the **City of Wolverhampton Charter**.



Contract Lifecycle Management

- Procurement will work with the Commercial team to ensure the Council delivers robust contract lifecycle management.
- This will include supporting with the proactiveness management of the process of administrating the contract from the pre procurement stage, following contract award, through to the end of the contract period.
- It will be a continuous process that ensures suppliers and procurers follow their contractual obligations, as well ensuring:
 - A consistent and robust approach is taken to the management of contracts throughout their term
 - Value for money is achieved (VFM)
 - Improved accountability for both suppliers and procurers,
 - Greater visibility of contractual performance and contribution to Council strategies

Equalities

- Prevent and eliminate unlawful discrimination.
- Advance and promote equality of opportunity between people that share protected characteristics and those that do not.
- Encourage and foster good relations between people that share protected characteristics and those that do not.
- Ensure of suppliers share our values and reflect this in the way they deliver services for the Council.

Value For Money

- The evaluation of **Whole Life Costs** must be undertaken to ensure value for money is obtained to release the benefits of a service or product.
- Identify the correct route to market
- Ensure make or buy options are considered
- Utilise outcome specifications to drive innovation

Cross-Sector Engagement

- Encourage and support local **Voluntary and Community Sector** organisations to engage with the procurement service and bid for contracts with the Council.
- Collaborate with the **Wolverhampton Anchor Network** to enhance opportunities for local communities and maximise access locally to deliver the **Wolverhampton Pound**.
- Co-produce and collaborate across sectors to look for opportunities to deliver solutions that reflect resident and community need and provide high quality services and outcomes.
- Ensure that we continue to carry out engagement with the **Voluntary and Community** sector to influence and contribute to city priorities

Our vision

To ensure a professional procurement service is delivered, working with partners, enhancing our local community, and reflecting the strategic objectives of the Council.

Our mission

To continuously deliver value for money procurement solutions that bring the greatest benefits possible for the residents of Wolverhampton. The Council will achieve this by collaborating with the Wolverhampton Anchor Network, stakeholders external to the Council, and suppliers to deliver quality projects, goods and services.

Core principles

Quality

- Commitment to improving the **City of Wolverhampton** for its residents
- Ensure compliance with relevant procedures and legislation
- Ensure value for money for our residents
- Be accountable to Council leaders
- Get it right first time
- Be innovators

Collaboration

- Value contributions from Council officers, suppliers, and other external stakeholders
- Embrace change
- Respect internal and external stakeholders

Proficiency

- Utilise market intelligence to drive efficiencies within contracts
- Ensure we engage with stakeholders linked to procurement activity in an efficient and timely manner
- Ensure a 3 year procurement pipeline is in place to ensure visibility of Council requirements

Team

- Have mutual respect
- Value all ideas and opinions
- Continuously improve processes
- Support colleague's professional development and attainment of relevant training and qualifications
- Ensure that we have a well-motivated and skilled team of procurement professionals who are available to support the delivery of high quality, reliable services.

Why robust procurement is important

Procurement and supply management involves buying the goods and services that enable an organisation to operate in a profitable and ethical manner (<https://www.cips.org>).

UK procurement legislation requires us to seek to ensure efficient equal treatment and fairness for suppliers of goods and services. This ensures a level playing field, having access to relevant and necessary information to enable them to submit bids to fulfil Council requirements.

To maximise output in terms of service delivery within the available funds. The Council manages public funds, this places an inherent requirement that the funds are managed and demonstrates both probity and value for money.

To drive competition which creates positive change and leads to innovation in the market.

To support Small and medium sized enterprises (SMEs), creating investment in the local economy and regional supply chains.

To ensure we comply with the **Social Value Strategy and City of Wolverhampton Charter** – identifying opportunities to enhance what can be delivered for the residents of Wolverhampton for every pound spent.

What we consider when procuring

Regulatory compliance and governance

Compliance with relevant UK legislation and the Council's constitution, specifically **Contract Procedure Rules**.

Transparency and openness

Procurement processes are conducted in a way that is fair and competitive.

Value for money

The key focus will not be on short term cost reduction but one that takes a complete whole-life costing approach including social and environmental considerations.

Circular economy

Ensuring considerations look at increasing pressures around material scarcity and ensure re-use and recycling.

Collaboration

Collaborating with the **Wolverhampton Anchor Network**, regional local authorities and other public, private and voluntary sector organisations.

Stakeholder engagement

Customers and communities are engaged in developing service delivery requirements and their views on delivery performance are taken into account and acted upon.

Risk management

Contracts are written in a manner that protects the Council from risk and adverse movements in inflation, legislation, or developments in technology. We will consider the **supplier code of conduct** when allocating risk in our contracts.

Contract management

Effective contract management processes are applied across the council to ensure the effective management of commercial arrangements.

How we procure

Outcome specifications

This approach ensures that the Council does not prevent innovation in our procurement activity.

Assessment criteria

Each tender has specific criteria which allows the Council to define its requirements

Most economically advantageous tender

Consideration of a mix of quality, social value and price.

Premarket engagement

Engaging with suppliers to understand how current market drivers could impact on the decision process for the Council when planning procurement activity.

Market engagement

Tendering opportunities attract sufficient market interest to establish a competitive number of quality bids as a result of pre-procurement market engagement. We work with suppliers to understand local supply chains and develop subcontracting opportunities for local companies and support local employment.

Route to market

Determining the best route means understanding the market in the category of spend via market intelligence. We then conduct either a competitive sourcing exercise or use an existing framework where a number of suppliers have already pre-competed to deliver specific goods or services.

Scoring matrix

Tenders are scored objectively against each other and a weighted scoring matrix is devised for each tender exercise which will show how each offer compares against the specification and assessment criteria.

Technology & efficiency

The use of technology, such as e-tendering, improves the procurement process and reduces the costs of sourcing and tendering for both the Council and bidders.

How we mobilise and control

Award

Ensuring compliance with legislation and that the correct authority is in place.

Communications

Provision of targeted communications to all relevant stakeholders ensuring it is appropriate, timely and in the right format.

Engagement

With successful suppliers ensuring mutual respect, understanding roles, and working towards a partnership approach.

Information

Ensuring relevant information is provided by all parties in a timely manner to ensure successful mobilisation.

Events

Where relevant, holding stakeholder engagement events to ensure all parties understand the service to be delivered.

Contract management / review

Timely contract review meetings to ensure milestones are being achieved and signed off correctly.

Lessons learned

Understanding this is key to future development and continued service development e.g. Costs which were not anticipated at the planning stage.

Appendix 1

Supplier code of conduct

The Council recognises that contractual activity is a two way relationship and that both parties must act with integrity to ensure the relationship works. The code of conduct is the basis for how we will work with our suppliers and how we expect them to work with the Council.

Mutual Respect

Employees of the Council and employees of its suppliers will treat each other with mutual respect and will behave in a professional manner at all times.

Collaboration

Employees of the Council and employees of its suppliers shall work in collaboration to ensure best value for the residents of Wolverhampton.

Human rights

Suppliers should adhere to all UK legislation in relation to human rights. Multinational organisations should adhere to local laws in relevant countries they work in and the **UN Guiding Principles on Business and Human rights**.

Cartels

Suppliers must not form any type of cartel. Cartels are formed when businesses agree or are persuaded not to compete with each other. Price-fixing, bid-rigging, and market-sharing are some of the most serious types of business cartels and are illegal. Business cartels are unfair; they cheat customers, who end up paying more for lower quality goods and services. Council and supplier employees must report such action immediately to the **Monitoring Officer** or **Deputy Monitoring Officer of the Council**.

Fraud

Suppliers must adhere to all legislation in relation to fraudulent activity including but not limited to the **Bribery Act 2010** and **UK Finance Act 2017 (Criminal facilitation of Tax Evasion)**. Council and supplier employees must report such action immediately to the **Monitoring Officer** or **Deputy Monitoring Officer of the Council**.

Hospitality

We require suppliers to enforce our rules on business rewards, such as gifts, meals, hospitality, and entertainment. These can be found in the **Councils Constitution** under “code of conduct for employees” Suppliers should not offer gifts, rewards, hospitality, or entertainment to our employees. Any offer of a cash inducement must be immediately reported to the **Monitoring Officer** or **Deputy Monitoring Officer of the Council**.

Tax

The Council expects its suppliers to pay the correct tax to comply with UK tax laws and suppliers should not be utilising offshore tax avoidance mechanisms.

Suppliers and their sub-contractors should ensure individuals acting as consultants to deliver Council contracts should be paying the correct amount of tax via PAYE i.e., inside IR35 where relevant.

Equalities

The Council is committed to ensuring that equalities are considered throughout the procurement process and that our policies and practices adhere to principles of fairness and inclusion. The **Equality Act 2010**, places a positive duty on public bodies to prevent discrimination in all aspects of service provision, including procurement and places obligations to:

- Prevent and eliminate unlawful discrimination
- Advance and promote equality of opportunity between people that share protected characteristics and those that do not.

- Encourage and foster good relations between people that share protected characteristics and those that do not.

Wolverhampton is committed to encouraging contractors and other partners that work with us to evidence good practice in terms of equality and diversity. We recognise that our procurement and commissioning functions can be effective in achieving equality and equality of opportunity in the following areas:

- Supplier recruitment and selection, for example encouraging small and medium sized enterprises; social enterprises and the voluntary and community sector from diverse or underrepresented backgrounds to participate in the delivery of services.
- Staff working conditions, ensuring staff working for suppliers are treated fairly and paid appropriately.
- Service provision, ensuring contractors are able to meet the needs the of Wolverhampton’s diverse services users, residents and citizens; and
- Encouraging good practice in workforce equality and diversity.

Responsible Procurement and Social Value seek to provide positive impacts on the community through **Procurement and Commissioning** and these may be directed to address inequalities and local priorities. It will thus be used to support us to achieve our equalities priorities.

All suppliers are expected to adhere to the principles, policies and procedures under which the Council operates in relation to equalities.

Supply Chain

The Council aims to pay its suppliers within 30 days, over 95% of undisputed invoices are paid within 7 days. Suppliers must ensure sub-contractors are paid within 30 days of an undisputed invoice.

Risk

The Council will ensure we deal fairly with suppliers regarding risk allocation within contracts and expect suppliers to treat sub-contractors in the same manner.

Sustainability

Full Council in 2019 stated it was committed to the **City of Wolverhampton Council** being carbon neutral by 2028 to deliver upon the promises we made when we declared a climate emergency. The commitment falls into three fields each with two outcomes:

Council:

- Reducing the council's carbon emissions
- Increasing sustainability within the council

City:

- Improving support towards carbon reduction in the city
- Improving support for sustainability in the city

Community:

- Raising Environmental Awareness
- Enabling Community Action

Suppliers are expected to support the Council in its journey towards becoming carbon neutral and also have plans in place to mitigate environmental impacts of its own activities.

Social Value

Suppliers should look at how they can make a positive contribution to Wolverhampton and its residents. This could include providing local job opportunities, local training, and a commitment to supporting our young people into work.

Data Protection

Suppliers are expected to process personal information in a fair and lawful manner and only collect data that is necessary to fulfil its obligations under any contract with the Council.

Media

Suppliers must not publish any material relating to the Council without approval from the **Head of Communications**.

Suppliers should only publish material on social media that aligns to the values of the Council.

Appendix 2

Wolverhampton Pound

The **Wolverhampton Pound** is an initiative supporting community wealth building which aims to reorganise and control the local economy so that wealth is not extracted but recirculated locally putting communities first. The **Wolverhampton Pound** has five key objectives:

- Retaining and growing local wealth and prioritising local spend
- Embedding social value in the city and leveraging local spend and employment
- Leading the green transition
- Supporting growth in the health and wellbeing economy
- Growing and promoting a cultural and creative city

At its core community wealth building is a place-based approach which uses the strengths and assets of Wolverhampton to drive economic change. The objective is to generate local wealth to benefit the most disadvantaged communities, by employing the following levers:

- **Local spend and procurement** – Placing a greater emphasis on redirecting public spending to local businesses and organisations wherever possible and maximising the public good from this through social value (which incorporates economic, social, and environmental value).
- **Economic Development** – A more deliberate approach to economic development where the Council uses its levers such as land and assets, workforce and procurement spend to benefit the most disadvantaged communities.
- **Anchor institutions (local businesses and organisations with a significant presence in the city)** – community wealth building is a partnership approach, and a key part of this work involves galvanising partners to work collaboratively with the Council on this agenda.

The **Wolverhampton anchor network** is made up of **City of Wolverhampton Council, City of Wolverhampton College, Royal Wolverhampton NHS Trust, University of Wolverhampton, and Wolverhampton Homes**. Together these organisations have a collective spend of over £830 million per annum.

You can get this information in large print, braille,
audio or in another language by calling 01902 551155

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