

***ENFIELD***

*Council*

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# **Corporate Procurement Strategy and Sustainable Procurement Policy**

**2011 – 2015**

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## Enfield Council's Procurement Strategy

### Foreward

Similar to many Local Authorities, Enfield Council faces numerous challenges in maximising and managing its financial resources. Procurement is core to this activity.

This newly revised Strategy sets out the high level strategic direction that the Council's procurement provisions will take in order to assist in achieving the Council's Corporate Aims and Priorities.

The Strategy continues to be an ambitious and exciting programme, which sets high standards for Enfield and aims to promote effective and consistent procurement practice across the Council. The effectiveness of our procurement processes will have a considerable influence on the successful achievement of these Council priorities and will contribute towards making a real difference to the services that we provide.

The Sustainable Procurement Policy demonstrates our commitment to having a positive impact on the environment, local economy and socially through the money we spend. By incorporating it within the overarching strategy we are seeking to embed sustainability into our everyday procurement practices.

Delivery will require commitment, action and buy-in from members, staff and suppliers if Enfield's citizens are to receive high quality, cost effective services. The way we procure goods, services and works will change as we consider how we will accomplish the council's priorities and commitment to excellent service delivery whilst meeting the national agenda.

*"Together we will make Enfield better and deliver fairness for all, growth and sustainability and strong communities".*

**[James Rolfe / Cllr Andrew Stafford / Cllr Del Goddard / Andrew Fraser]**

## Executive Summary

Procurement is the process of acquiring goods, works or services from third parties and in house providers. The process covers the whole cycle from the identification of the need through to the cessation of the service provision or the end of the useful life of an asset.

This strategy in conjunction with the Council's Corporate Commissioning Strategy explains the high level strategic direction that the Council's procurement arrangements will take in order to assist in achieving the Corporate Aims, which are enshrined in our Business and Improvement Plan.

The Council will ensure its procurement policies & procedures are environmentally, economically, socially, ethically sound and will expect its providers to accept these principles and pass them down the supply chain. This includes the Council's commitment to equality and diversity. With an annual spend of £350m the Council has an opportunity to use procurement as a means to improving the socio-economic situation for Enfield.

It aims to promote effective procurement practice throughout the whole of the Council whilst working towards a common vision which embodies the Council's Core Values of:

- Working as One Team
- Putting Customers First
- Achieving Service Excellence, and;
- Empowering People

The procurement and commissioning vision set out in this strategy is to:

*“Procure goods, services and works by the most efficient and sustainable means, ensuring accountability, achieving value for money and deriving maximum benefit to meet the needs and aspirations of the community”.*

The Council aims to provide a procurement framework which ensures we will be:

- Delivering value for money through our contracts
- Providing effective service provision through our contracts
- Improve socio-economic outcomes through our contracts
- easy to do business with
- open, fair and transparent in our dealings
- engaging with you in the design of our services
- focussed on achieving outcomes, delivering quality and efficient services
- accessible through the most convenient channel
- listening to your feedback
- expecting providers to share in our efficiency drive
- delivering the best solutions for residents in partnership with providers

The challenges and targets in this strategy focus on:

- Leading and engaging in collaborative projects that contribute to the successful delivery of efficiencies, service improvements, savings and utilisation of resources.

- Leading and influencing business opportunities for further improvement in terms of immediate cost savings, better use of existing resources, more effective market management.
- Capacity building / enhanced knowledge and skill for the key people engaged in Procurement activity. Ensuring that procurement is developed as a core competency across Council Services.
- Heightening procurement awareness at all levels across the Council
- Leading the development of enhanced contract monitoring & management practices.
- Developing sustainable procurement solutions

The Council's procurement and commissioning activities must generate Best Value in our procurements, ensuring that significant efficiency savings are made and this is the overarching priority of this strategy. This strategy targets efficiencies from both our existing and future providers in support of our "Leaner<sup>1</sup>" transformation programme and espouses performance/contract management and negotiation as mechanisms to achieve this.

These efficiencies **must not be** at the expense of service quality and delivery, as measured both by sustainable outcomes and satisfaction with our services. This strategy covers how we seek to achieve this through our evaluation processes and monitoring arrangements.

In the future, the Council will increasingly become a commissioner of personalised and localised services focussed on need.

It is clear that we cannot achieve our efficiency goals independently and in isolation. As such we recognise that we will need to continue to work with our providers collaboratively and in partnership to ensure we generate efficiencies that can be redistributed to support front line services.

Many staff across the Council are involved in significant procurement, commissioning and contract management activities. As such there is real commitment to procurement training and education as we realise that it has a crucial role to play in ensuring that relationships with procurement client groups – top management, internal and external suppliers and customers are managed effectively.

This strategy looks at 6 overarching themes within procurement as follows:

1. Efficiency, Value for Money and Contract Management
2. Environment, Social & Sustainability
3. Leadership, Skills Development and Capacity Building
4. Partnerships, Collaboration and Relationship Management
5. Regulatory, Governance and Risk Management
6. Technology and E-procurement

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<sup>1</sup> LEANER programme was developed to ensure that major efficiency and customer service improvement projects across the Council are properly managed and coordinated.

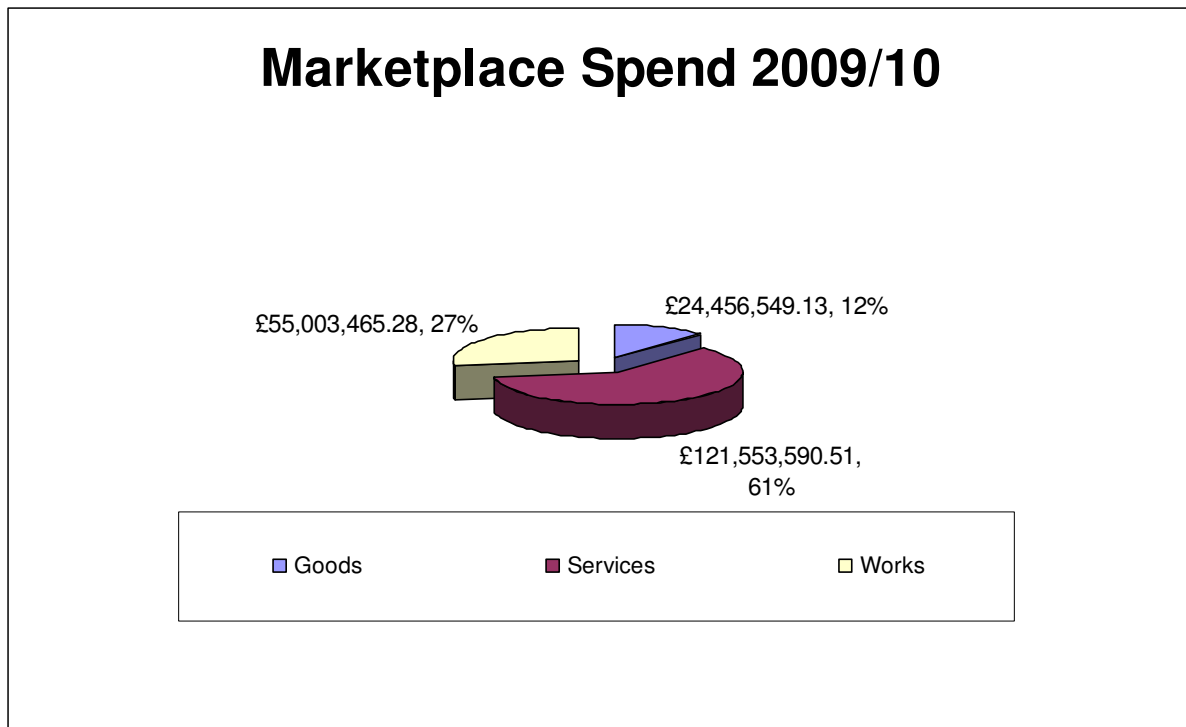
Communication at all levels is vitally important. The Council will be open and honest with all internal and external stakeholders in terms of how, when and why it is undertaking procurement activities. As such procurement standards and best practice need to be made available through many media channels. The Council aims to provide equality of opportunity, and access to information on the Council's procurement function and importantly for Suppliers information on 'How to do Business' with us.

This strategy outlines our approach to engaging with our customers and citizens, our framework for procuring efficiently and effectively and our intention to partner with our providers and fellow commissioners to deliver quality services through procurement.

## 1. Introduction

The Council spends in excess of £350 million pounds (figure for 2009/10) per annum on contracts of which over £200 million pounds is placed through the Council's E-Marketplace equating to around 61% spent on Services, 27% on Works and 12% on Goods.

The graph below further analyses these categories:



The Council is committed to deliver excellent services efficiently to meet the needs of different people, places and its procurement policies, procedures and practices support this. This document outlines the Corporate Procurement Strategy for a 4 year period.

The underlying theme of the procurement strategy is to deliver practical, sustainable procurement solutions that are progressive and seek to utilise collaboration which include new ways of thinking to deliver strategic solutions. Our underlying strategic aim is based on achieving excellence in Procurement for our Council and core stakeholders.

The challenges and targets in this strategy focus on:

- Leading and engaging in collaborative projects that contribute to the successful delivery of efficiencies, service improvements, savings and utilisation of resources.
- Leading and influencing business opportunities for further improvement in terms of immediate cost savings, better use of existing resources, more effective market management.
- Capacity building / enhanced knowledge and skill for the key people engaged in Procurement activity. Ensuring that procurement is developed as a core competency across Council Services.
- Heightening procurement awareness at all levels across the Council
- Leading the development of enhanced contract monitoring & management practices.

- Developing sustainable procurement solutions

## National and Enfield context

### National Context

The Strategy supports both the drive for increased efficiency in public sector procurement as outlined in the H.M. Treasury's Operational Efficiency Programme (2009) and the potential benefits to be derived from shared services identified in the Varney Report (2007) and reflects and supports the Roots Review (2009) of efficiencies and smarter procurement in local government.

Other influences include 'Procuring the Future' – report of the sustainable procurement task force, the use of the 'Flexible Framework'; advances in Equalities legislation and practice; the Glover Committee report.

### Enfield Context

#### Context

The adoption of this strategy is essential to ensure that procurement continues to respond to the Council's developing vision and values. It is important that the Council determines the high level strategic direction that the Council's procurement arrangements will take in order to assist in achieving the Corporate Aims, which are enshrined in our Business and Improvement Plan.

It aims to promote effective procurement practice throughout the whole of the Council whilst working towards a common vision which embodies the Council's Core Values of:

- Working as One Team
- Putting Customers First
- Achieving Service Excellence, and;
- Empowering People

The procurement and commissioning vision set out in this strategy is to:

*"Procure goods, services and works by the most efficient and sustainable means, ensuring accountability, achieving value for money and deriving maximum benefit to meet the needs and aspirations of the community".*

The key procurement business drivers identified in Section 3 will create future trends which will shape how Enfield procures in the future.

The personalisation agenda<sup>2</sup> within Social Care will also change the way in which the Council procures as we will need to reflect and act upon the changes in the working relationships between the Council, our service providers and individual service users/carers. As such we will need to be able to demonstrate a flexible approach in our procurement process which may mean moving from:

- The Council as a sole purchaser, to one where providers will need to market too, and contract with, a larger number of individual service purchasers.
- Large block contracts to individual service contracts and arrangements, although possibly underpinned by framework agreements.

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<sup>2</sup> In 2007 The Government published "[Putting People First](#)", A shared vision and commitment to finding new ways to improve social care in England.



- Formal structured arrangements for the procurement and delivery of Social Care to a more flexible approach where achieving agreed outcomes for a given price is the contractual focus rather than the volume or nature of the service delivered.

### **Embedding Delivery**

Procurement by Enfield Council is undertaken against a backdrop of our own policies, procedures & rules and within a wide ranging external context and is influenced by or influences a large number of stakeholders.

#### **Structure:**

This strategy is a framework both for making decisions and for securing support & approval across the Council. Its ownership lies with the Council's Strategic Procurement Board.

The Procurement Board (formed in 2010) feeds into the LEANER programme Board and has Senior Management representation across the Council.

The Board has the role of examining all procurement projects over the EU Threshold or where political, financial or reputational risks are deemed to be high. It is also responsible for delivering the Council's 3 year procurement/forward plan which was developed in 2010 highlighting priority contracting areas where increased focus is required to deliver significant efficiency savings.

#### **People:**

The effective delivery of this Strategy requires trained, skilled, knowledgeable people. The Corporate Procurement Team is presently structured to focus on the following 3 key Areas.

##### **a) Strategy, Policy and Capacity;**

Responsible for developing the strategic / policy approach to procurement including building capacity through developing training packages both internally / externally and working with local organisations in order to help them gain a better understanding of how to do business with the Council.

##### **b) Category Management;**

Responsible for providing procurement support, advice and guidance on procurement projects in particular those deemed as high risk and/or high value. At present this is provided on an "on demand" basis as this fully utilises current resource levels.

##### **c) Business Process and Systems;**

Responsible for developing, delivering e-procurement solutions across the Council e.g. e-marketplace, e-invoicing, contracts database, e-tendering, spend analysis, compliance etc.

The Council recognises the need to continue to build expertise and capacity amongst our own staff, and those employed by our providers & partners and will invest in training, development and learning.

We also seek to promote the use of all forms of economic support to create local employment, where relevant internally and externally with our suppliers and look to support policies designed to further encourage new entrepreneurs. Similarly we will seek to increase the use of local supply chains by major contractors where appropriate and relevant to the subject of the contract.

### **Shared Procurement and Collaboration**

The Council recognises the importance of establishing links between other London Councils, local authorities and other public, private and voluntary sectors as a way of

providing more flexible and cost effective services, and we will seek to collaborate with external bodies to consult, share good practice, learn from experiences and develop good working relationships to enhance service provision.

In addition where possible we will involve citizens and users in developing service delivery and consult more frequently on satisfaction, to involve suppliers in designing service delivery, and to work with other public/private and voluntary sector organisations to provide users with a joined up service.

## **Summary of Accomplishments**

The Council's procurement strategy has been successful in providing guidance on best practice and identifying how improvements can be achieved. During the last three years, measurable progress towards key milestones has been accomplished by:

- Delivery of free workshops for local organisations to
  - increase their awareness of public sector procurement opportunities
  - improve ability to tender for contracts
  - enhance understanding of 'how to do business with Enfield Council'
- Establishment of a Strategic Procurement Board which has
  - enhanced the Council's procurement governance arrangements
  - provided ownership and accountability across departments to deliver efficiency savings
- Identified and realised Cashable efficiency savings in excess of £3.5m which has been redistributed to support frontline service delivery
- Developing and implementing e-procurement technology to streamline procurement processes e.g.
  - Implementation of a full 'procure to pay' system
  - Reduced number of cheque transactions
  - Increased purchase card transactions
  - Improved purchase order compliance
  - Established a contracts register
- Advertising procurement spend over £500 demonstrating Enfield's commitment to openness and transparency of its procurement activities
- Collaboration – the Intelligent Client
  - The intelligent client role has been fully developed, concentrating on cross departmental activity, all sub-regional and regional activity and aligning, where possible, the opportunities against all future procurement requirements of the Council.

## **2. Efficient and Effective Procurement**

### **Definition and Purpose**

Procurement is the process of acquiring goods, works or services from third parties and in house providers. The process covers the whole cycle from the identification of the need through to the cessation of the service provision or the end of the useful life of an asset.

In order to achieve efficiencies and transform services it is necessary to be able to procure legally, competently and make efficient use of procurement resources. As such we will procure firstly through existing Council contracts and secondly through national and regional framework agreements and contracts to reduce timescales, obtain improved prices and minimise resource input.

Where we cannot procure through such an existing framework or contract we will use standardised processes and documentation as far possible to expedite procurement.

## **Priority Areas and Strategic Objectives for procurement**

The business drivers highlighted above can be categorised into 6 priority areas that the Council will need to address over the next 4 years. An Action Plan is being developed to outline how the Council will meet these objectives. The priority areas are as follows:

### **1. Efficiency, Value for Money and Contract Management**

The resources we have must be used in the most effective manner to provide high quality services to those who need them. Contract Managers responsible for contracts that are deemed as High Value and/or High Risk and those with a value over the EU threshold are required to report to the Strategic Procurement Board on an annual basis.

Objectives:

- To stimulate competition in securing delivery of all externally provided services.
- To manage our contracts to deliver continuous improvement in performance and value for money throughout their lifetimes, incorporating socio-economic factors.
- To prioritise customer satisfaction and choice, and ensure contracts provide sufficient flexibility and variety to support improvements in these areas.
- To develop reporting systems to provide relevant accurate and timely management information on our spend profile with external providers.

### **2. Environmental, Social and Sustainability**

We are committed to achieving sustainable outcomes through our procurement. Sustainable Procurement is addressed in Part 2 but it is important to note that sustainability is not just about environmental benefits, but social and economic benefits as well. Our vision is that all our procurement shall have regard to sustainability and in particular its key economic, environmental and social impacts.

We are increasingly embedding sustainability into the whole procurement cycle: identifying need; appraising options; design and specification; supplier selection; tender evaluation; contract management and supplier development. Even in routine purchasing, sustainability is and will continue to be considered. Purchasing staff will be encouraged to think about the products they purchase, and whether a more sustainable solution could be adopted.

Objectives:

To increase the efficiency with which the Council uses resources and take practical action to reduce, as far as possible, the effect the Council's activities have on the environment. (Climate Change Board Action Plan and Environment Strategy)

- To include environmental considerations in funding, contract policy and purchasing decisions.
- To ensure that the principles of sustainability, regeneration and equality are promoted and addressed, as appropriate, in all procurement and contracting activities.
- To ensure that Council procedures do not exclude any company - whether small to medium size enterprise (SMEs), voluntary or community sector (VCS), or otherwise - from the opportunity to bid for Council business.
- To continue to develop and implement the Council's Sustainable Procurement Policy (see Part 2)

### **3. Leadership, Skills Development and Effective Procurement**

Many staff across the Council are involved in significant procurement, commissioning and contract management. As such training and education in procurement has a crucial role to play in ensuring that relationships with procurement client groups – top management, internal and external suppliers and customers are managed effectively.

#### Objectives

- To define the various roles and responsibilities associated with procurement and contract management, and the related required skills.
- To enable and empower staff to incorporate community benefits within contracts in accordance with procurement legislation<sup>3</sup>
- To build expert or specialist skills / knowledge and develop procurement support capabilities in service delivery areas through 'category/commercial managers', Strategic Procurement Board and by setting up a Contract Management Performance Review Group.
- To develop skills and provide support to officers involved in procurement, commissioning and contract management across the Council.
- To attract, retain and motivate high-quality, skilled procurement professionals and create ongoing opportunities for development.
- To continue to support schools in developing procurement and contract management skills and capacity, and ensure that the Council's procurement principles are understood and applied.

### **4. Partnerships, Collaboration and Relationship Management**

The Council is committed to working collaboratively and developing links between local authorities and other public, private and voluntary sectors as a way of providing more flexible and cost effective services. We will seek to collaborate with external bodies to consult, share good practice, learn from experiences and develop good working relationships to enhance service provision and meet the needs of service users.

#### Objectives

- To create tendering opportunities that attract sufficient market interest to establish a competitive number of quality bids.

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<sup>3</sup> Corporate Procurement have developed a Community Benefit Toolkit which will be launched in January 2010 to provide practical guidance to staff

- To work with contractors and suppliers to deliver demonstrable continuous improvement in delivery of works, services or supplies contracts.
- To consider opportunities for Shared Services in all procurement activity and at a minimum ensure that contracts are available for use by other public bodies in the county.
- To work with suppliers to secure efficiencies within supply chains and develop sub-contracting opportunities for local companies as appropriate.
- To ensure suppliers understand how to do business with the Council

## **5. Regulatory, Governance and Risk Management**

Spending public money requires high levels of probity and accountability, supported by a framework of mechanisms to ensure that standards are met. This includes scrutinising the procurement processes and monitoring the outcomes of procurement activity, and assessing and disseminating the impact of changes in legislation.

There is also a need for Member involvement at a strategic level, with a role in supporting challenge to improve quality and efficiency, promoting considered risk-taking in innovation and continuous improvement, and securing and demonstrating quality outcomes.

### Objectives

- To ensure that procurement activities reflect and support the Council's Core Values, corporate aims and objectives
- To ensure Contract Procedure Rules reflect developments in procurement legislation and EU guidance, and provide a robust framework to support the probity of Council spending.
- To structure contracts in a manner that protects the Council from extreme or adverse movements in inflation, legislation, or developments in technology.
- To monitor / take advantage of opportunities to use our Powers to Trade (Local Government Act 2003) to deliver traded services to other organisations where the risk is minimal and the return to the organisation is significant.
- To provide challenge to procurement decisions and practices across the Council through a combination of Peer, Scrutiny, and Quality Assurance Framework / Gateway reviews and adoption of a Contract Performance Improvement framework.
- To protect the Council from exposure to challenge or legal action by clearly determining the accountabilities and responsibilities of officers involved in procurement activity, and monitoring and enforcing compliance with those responsibilities.

## **6. Technology & E-procurement**

The Council will use advances in technology to improve the efficiency and effectiveness of its procurement function. E-procurement enables us to undertake procurement business electronically, thereby demonstrating transparency in its procurement processes and provides a valuable platform on which to build opportunities for collaborative procurement arrangements with partner organisations.

The Council has recently purchased an e-tendering and contracts register solution that allows for tenders to be created, advertised, evaluated and received online. The system is part of the London Tenders portal (Londontenders.org – currently used by 15 other London Boroughs as well as the London Fire Brigade, Metropolitan Police and Bank of England), where potential suppliers can register, for free, their interest and bid for Council contracts.

The benefits of implementing such a solution include:

- Contracts can be developed around pre-defined templates
- Full audit trail kept within the system
- Automatic notifications keep Procurers and Procurement informed of developments
- On-line scoring for more efficient processing of responses
- Makes cross team collaboration within the Borough easier
- Allows collaboration with other London Boroughs
- Central database of contracts, allowing the Council to identify savings areas
- Automatic notification of contract expiry, reducing off contract spend
- Improves transparency, the contracts register is publicly viewable

Whilst all suppliers will be encouraged to work with us electronically, it is recognised that some suppliers, particularly small medium sized enterprises (SMEs) and 'voluntary sector' suppliers, may not have the capabilities at this time to adopt e-procurement and we will ensure that such suppliers are not disadvantaged in the procurement process.

Purchasing cards including embedded and pre-loaded will be used where appropriate to reduce transaction costs particularly for high volume, low value and ad-hoc purchases.

Objectives:

- To improve procurement process, transactional efficiency and reduce the costs associated with procuring.
- To utilise technology to improve access to procurement information for customers, staff and suppliers, and to support the transparency of our processes.
- To utilise technology to stimulate competition, through advertising opportunities more widely online.
- To ensure that our approach to using technology and driving efficiency does not exclude any organisation from the opportunity to bid for Council business.
- To review procurement processes and activities to fit with and support mobile and flexible working practices.

### **3. Corporate and Social Responsibility**

#### **Sustainability**

It is recognised that procurement has a vital role in furthering sustainable development, through our procurement of goods, services and works. Procurement decisions have a major socio-economic and environmental implication, both locally and globally, now and for future generations. To reflect our own environmental practices a Sustainable Procurement Policy has been developed (Part 2) in conjunction with this strategy to demonstrate that the Council is committed to leading on and promoting sustainable procurement to deliver tangible economic, environmental and social benefits to the local community.

#### **Health and Safety**

Enfield Council is committed to ensuring effective health and safety management and performance throughout all Council Services and undertakings, and requires that Health

and safety matters be given appropriate consideration with equal status to other service demands.

The Council recognises its responsibilities for the health, safety and welfare at work of employees, and the health and safety of others who may be affected by the Council's work activities. In line with the council's Health and Safety policy, all goods and services should be procured with the health, safety and welfare of any staff, contractor's employees, clients, volunteers and members of the public who may be affected in mind.

All procurement must ensure that Health & Safety impact is considered (risk assessment), that we minimise Health & Safety impact through buying products and services that reduce risks to the lowest level, and that as a minimum, goods and services meet legal requirements.

Enfield Council expects its business partners to comply with all relevant and appropriate Health and Safety legislation.

The Council will take into account within its tender evaluation and contracting processes, a potential contractor's approach to Health & Safety in terms of its employment practices and service delivery, which will also be monitored and Managed during the life of each contract. The Council will check a contractor's compliance with Health & Safety in two ways:

- **Prior to Contract Award** - by asking questions either prior to or during the tender process. If following evaluation the response does not satisfy the Council's criteria, the firm may not be awarded a contract.
- **After Contract Award** - by including contract conditions on Health & Safety in all Council contracts and by monitoring a contractor's performance and compliance with those conditions.

#### 4. Equalities and Supplier Diversity

As a Council, we deliver services to customers and value our employees equally, irrespective of their ethnicity, gender, age, religion or belief, disability, sexual orientation or any other irrelevant factor. We recognise and value difference and respect our staff and service users as individuals.

To ensure that the Council procures goods, works and commissions services in a way which promotes equality and diversity, we strive to:

- Have a fair and accessible procurement process
- Make sure that where contractors deliver services on our behalf, they do so in a way which meets the needs of all our residents and/or employees

By being proactive in these two areas, the Council will help to achieve its vision of building and safeguarding a fair, open and compassionate community. We will also be meeting our statutory duties to eliminate unlawful discrimination and promote disability, race and gender equality.

The Council will ensure a fair and accessible procurement process by continuing to:

- simplify the guidance available to potential suppliers about how we procure goods, works and services.
- make information about the Council's procurement opportunities more accessible including, for example, holding regular 'Meet the Buyer' events and frequently updated information on the website.
- engage with suppliers and offering training to them.

When we use contractors to deliver services on our behalf, we will make sure that they do so in a way which meets the needs of all our residents and/or employees by:

- seeking information from tenderers about their equality and diversity policies and practices and using this to help short-list suitable candidates
- requiring officers to consider any equality and diversity issues when they are procuring goods, works or commissioning services
- including equality and diversity clauses as a standard feature in contracts to ensure contractors meet relevant statutory duties
- consulting our major contractors on any statutory equality and diversity policies/schemes we develop. This will be facilitated through the monthly procurement newsletters

## **5. Contract and Supplier Management**

Contract monitoring and review is vital to ensure agreed outputs and outcomes are being delivered. Every contract let at the Council will have an identified Contract Manager / Lead Officer who is responsible for monitoring and reviewing contract performance. Once the successful supplier has been confirmed, pro-active Contract Management practices should ensure the following aspects:

- Service Delivery is in compliance with agreed terms and conditions.
- Value for money is secured through performance monitoring of the contractor against requirements and Key Performance Indicators (KPI's).
- Potential service difficulties are identified and alternative strategies are devised.
- Costs are monitored and kept within budget constraints.
- Identification of service improvements where these are enshrined in the contract.
- Meets both parties' business requirements and those that evolve throughout the duration of the contract.
- Management and control of all the successful co-ordination of the contract through documentation and evaluation of agreed processes.

The underlying intention of Contract Management enables both (or all) parties to meet their obligations surrounding the contract, to ensure that all objectives are met.

The Council realises that building a mutually beneficial working relationship between the contract manager and provider throughout contract duration is a necessity as it enables both parties to anticipate future needs and requirements, along with reacting to current issues when they should occur.

## **6. Marketing and Communication**

The Council will be open with all internal and external stakeholders in terms of how, when and why it is undertaking procurement activities. The Council aims to provide equality of



opportunity, and access to information on the Council's procurement function and importantly for Suppliers 'how to do business' with us.

To deliver and communicate effective delivery of procurement, including provision of information, guidance and business opportunity we will:

- Focus on providing information to Stakeholders including Suppliers on 'how to do business' with the Council through a variety of media formats. E.g. Procurement Briefings, Surgeries and Workshops
- Provide visibility of our Contracts Register to ensure equal access to forthcoming contract opportunities
- Give opportunities for debrief to those suppliers who have been unsuccessful in our procurement exercises in order to develop and make them better equipped for any future opportunities that they may become involved in.
- Ensure that internal and external communication via the intranet / internet, is developed and supportive of the corporate ethos for procurement being embedded across the Council.
- Continue to provide training to raise awareness of the procurement issues and to deliver the desired quality of procurement across the organisation.
- Continue to raise understanding and awareness of the Council's procurement function.
- Continue to build and maintain an effective two-way dialogue between stakeholders

## **7. Action Plan**

An action plan will be agreed with appropriate key performance indicators.





# **Sustainable Procurement Policy**

## **2011 – 2015**

# Sustainable Procurement Policy

2011 - 2015

## 1. Introduction

Enfield Council accepts fully its responsibility to carry out its purchasing activities in a sustainable manner and with a 3<sup>rd</sup> party spend of £350m we have an opportunity to make a significant impact on the environment, the local economy and deliver social responsibility through sustainable procurement.

We realise that what we purchase has a significant impact on the environment, the economy and society both locally, nationally and globally. With significant challenges such as climate change and resource depletion, it is vital that we carry out our procurement activities in a responsible, sustainable manner.

Our procurement and commissioning vision is to:

“Procure goods, services and works by the most efficient and sustainable means, ensuring accountability, achieving value for money and deriving maximum benefit to meet the needs and aspirations of the community“.

This policy sets out how the Authority will maximise the positive impacts and benefits the sustainable procurement agenda can bring.

## 2. What is Sustainable Procurement?

Definition:

“Sustainable Procurement is a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, while minimising damage to the environment.”<sup>4</sup>

## 3. Context:

### Nationally

Both the EC and the UK Government have been working for a number of years on the provision of policies, guidance, and legislation to encourage publicly funded organisations to address the sustainability impacts of their purchases and to take advantage of their huge

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<sup>4</sup> *Procuring the Future* (Sustainable Procurement Task Force, June 2006)

buying power. As a result the UK Government launched a Sustainable Procurement National Action Plan.

The Action Plan provides guidance to ensure that public procurement fully contributes to sustainable development in the UK, reflecting the principles set out in the existing EU and domestic legal frameworks governing public procurement. The European legal framework for public procurement<sup>5</sup> has now clarified to an extent, when and how public purchasers can include environmental considerations in their procurement processes and procedures.

In addition, a new set of British Standard guidelines – Principles and framework for procuring sustainably (BS 8903:2010) was published at the end of August 2010 and provides guidance on how to implement sustainable practices into procurement processes.

## **Our Commitment**

Enfield Council recognises the significant influence that procurement may have on environmental performance, and therefore we are committed to minimising the environmental effects of purchasing by the Council. To reflect our own environmental practices, we will endeavour to promote and conduct various activities, which enable the implementation of the Council's Sustainable Procurement Policy. As such we are committed to leading on and promoting sustainable procurement to deliver tangible economic, environmental and social benefits to the local community.

Enfield Council's vision is to make Enfield a better place to live and work, delivering fairness for all, growth and sustainability and strong communities. Underpinning this commitment we have a number of priorities of which will contribute to improving the quality of life for all residents in the borough.

### **1. Fairness for All**

Our priorities are to:

- Serve the whole borough fairly and tackle inequality
- Provide high quality, affordable and accessible services for all
- Enable young people to achieve their potential

### **2. Growth and sustainability**

Our priorities are to:

- A clean, green and sustainable environment
- Bring growth, jobs and opportunity to the borough

### **3. Strong Communities**

Our priorities are to:

- Encourage active citizenship
- Listen to the needs of local people and be open and accountable
- Provide strong leadership to champion the needs of Enfield
- Work in partnership with others to ensure Enfield is a safe and healthy place to live

Many of these priorities are underpinned by contracts let by the Council and some directly through the application of this policy. In addition this policy should be read in conjunction with other Council strategies, policies and action plans that have been developed as these priorities will also be included to ensure the theme of sustainability continues to figure as a 'golden

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<sup>5</sup> Directive 2004/18/EC

thread' across the Council to ensure we deliver our sustainable aims and objectives.

Complementing strategies/policies and action plans include:

- Council's Corporate Procurement Strategy
- Sustainable Communities Strategy Carbon Management Plan
- Climate Change Project Board Action Plan

We are increasingly embedding sustainability into the whole procurement cycle: identifying need; appraising options; design and specification; supplier selection; tender evaluation; contract management and supplier development. This policy will be supported by training and guidance notes so that staff take sustainability into account when spending Council money, whilst ensuring that we remain within the legal framework laid down in the UK Public Contracts Regulations 2006 (as amended).

We will strive to ensure that decisions taken by officers and Members when purchasing goods, services and works are undertaken in line with our sustainability commitments, and wherever possible commercial relationships are formed and nurtured with partnering and contracting organisations who share our values on sustainability.

In our determination to become leaders in the field of sustainable procurement we will seek to identify and learn from examples of best practice. We will support, and evaluate opportunities for working in partnership with other organisations in delivering and promoting sustainable procurement.

We will communicate this policy across the Council's, our partners and through our supply chains.

#### **4. Three key pillars of sustainable procurement**

The UK Sustainable Development Strategy<sup>6</sup> defines sustainable development as being about "ensuring a better quality of life for everyone, now and for generations to come." To do this requires meeting three key objectives at the same time.

##### **1. Economic**

Through effective procurement increase levels of economic growth and employment

##### **National Sustainability Framework Key Drivers;**

- \* Maintenance of high and stable levels of economic growth and employment
- \* To do more with less: making better use of resources;
- \* A stable and competitive economy;
- \* To develop skills and reward work;
- \* Procure goods and services which meet consumers' needs and are produced, and can be used, ever more efficiently;
- \* Government, producers and consumers working together to achieve long term change.

##### **Other Drivers**

- Global economic downturn
- Sustainable communities strategy – to create a stable economic environment

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<sup>6</sup> Securing the Future - UK Government sustainable development strategy

- Value for money - Local Councils are expected to make significant cashable efficiency savings

### **How this policy will contribute to economic growth and employment;**

1. We will provide an online portal so that suppliers can register their interest in contract opportunities and simplify the tendering process.
2. We will publish the Councils contract register on the Councils website in order that smaller suppliers can prepare resource to bid for contracts
3. We will seek to increase the volume of Council spend being reinvested in the borough's with local suppliers and their supply chains through seeking quotes from local suppliers where practicable. For larger contracts we will encourage larger contractors to utilise local suppliers in their supply chain.
4. We will continue to meet regularly with local suppliers and the voluntary/third sector to inform them of how to tender/bid for Council business and provide access to training courses on public sector procurement.
5. We will strive to ensure that local and smaller suppliers are not discriminated against in the procurement process and specifications.
6. We will continue to ensure sustainability is a key element of whole life costing when evaluating tenders.

## **2. Social**

Social progress which recognises the needs of everyone

### **National Sustainability Framework Key Drivers;**

- \* Social progress which recognises the needs of everyone
- \* Strengthening regional and local economies;
- \* Meeting people's social needs: promoting better health, housing and access to services and recreation;
- \* Improving local surroundings: revitalising town centres, tackling degraded urban environments, and ensuring that development respects the character of our countryside;
- \* Reducing crime and the fear of crime;
- \* Addressing problems of poverty and social exclusion in the most deprived communities;
- \* Making it easier for people to get involved in their communities;

### **Other Drivers**

- Equality agenda
- Sustainable communities
- 7.6% of the labour force in Enfield is unemployed (claiming Jobseeker's Allowance or National Insurance Credits<sup>7</sup>)

### **How sustainable procurement will contribute to social progress;**

1. We will research and establish apprenticeships and work placement schemes with relevant suppliers, linking in with the Council's JOBSnet programme.
2. We will look to establish clauses in large contracts to encourage training and employment for the longer term unemployed where suitable
3. We will assess the Councils current use of voluntary/third sector companies and benchmark against similar organisations

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<sup>7</sup> Greater London Authority Figures (April 2011)

4. We will continue to support Small Medium Enterprises (SME's), voluntary/third sector organisations to inform them of how to tender/bid for Council business
5. We will train staff on sustainable procurement across the Council and share good practice
6. Identify opportunities for supported businesses (those with more than 50% disabled employees) and ring-fence those as appropriate
7. We will encourage a positive contribution from our suppliers to the local communities in which they work on our behalf.
8. We will fully explore the opportunities for developing appropriate contractual provisions to deliver specific community benefits<sup>8</sup>
9. We will ensure our procurement process is open to all including SME's, diverse suppliers and the third sector
10. We will incorporate clauses in our contracts and specifications which will require suppliers to demonstrate their compliance with the Council's Equality policy

### **3. Environmental**

Effective protection of the environment & prudent use of natural resources

#### **National Sustainability Framework Key Drivers;**

- \* Prudent use of natural resources
- \* Effective protection of the environment
- \* Achieving long-term cuts in greenhouse gas emissions and promoting sustainable energy;
- \* Improving air quality;
- \* Safeguarding freshwater resources and water quality;
- \* Safeguarding the health and productivity of the sea;
- \* Maintaining and improving the quality of our soil and contaminated land;
- \* Protecting and enhancing biodiversity;
- \* Reducing the spread of pollutants and improving management of waste

#### **Other Drivers**

- Climate Change Act 2008 - The scheme covers large public and private sector organisations, who are responsible for about 10 percent of the UK's emissions
- Waste and water - significant financial penalties will be levied for missed EU targets on biodegradable municipal waste and landfill targets

#### **How this policy will contribute to protecting the environment;**

1. We will adopt the Office and government commerce guidance on constructing excellence for all new building, and major refurbishment projects
2. We will roll out the e-tendering system to the Council to reduce the paperwork involved in tendering
3. We will monitor and research key suppliers carbon emissions in a bid to reduce them
4. We will strive to incorporate environmental and social considerations into our product and service selection process
5. We recognise that it is our responsibility to encourage our suppliers and contractors to minimise negative environmental and social effects associated with the products and services they provide

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<sup>8</sup> The Community Benefit Toolkit is scheduled to be launched in January 2012 to provide guidance for officers



6. Seek to reduce waste through reviewing the amount and type of materials purchased, and by exploring the opportunities to purchase refurbished, recycled and recyclable equipment, products and materials
7. Adopt appropriate energy management measures across Council sites
8. Adopt the minimum environmental standards as detailed in 'Government Buying Standards' when procuring a range of products.

## **Measuring Success**

Enfield Council has recently achieved Bronze level membership of the Mayor of London's Green Procurement Code following an audit in May 2011. The Action Plan detailed at Appendix A highlights Enfield's commitment to further build and ensure further improvements are made to ultimately achieve Silver and Gold membership in the future.

## Appendix A

### The Mayor of London's Green Procurement Code – Action Plan for Enfield Council

Question	Procurement Code Assessment Question	Score Rating (May 2011)	Thresholds Bronze (B); Silver (S); Gold (G)	Key Objectives	Key Actions	Lead	Key partners/ contributors	Target Date / Milestone
1 (People)	Is there a sustainable procurement champion identified in your organisation?	4	10 (B)	Identify a sustainable procurement champion (s)	Identify the member of staff to become the champion. Set up regular meeting meeting for the champion(s) so that they can report back on progress	SPB	Departments	Aug-11
2 (People)	What sustainable procurement training have your key procurement staff received?	5	5 (B); 10 (S)	Train key procurement staff to an advanced level in sustainable procurement processes.	Decide on staff to receive training. Identify possible dates for training to take place.	Corporate Procurement	Departments	May-12
3 (People)	What sustainable procurement training have "all" your procurement staff received?	3	5 (S); 10 (G)	Train all procurement staff in sustainable procurement principles	Decide on training method and identify the staff that will receive the training	Corporate Procurement	Departments	May-12

<b>4 (People)</b>	<b>Is sustainable procurement included in your procurement staff's personal development and appraisal process?</b>	<b>4</b>	<b>5 (S); 10 (G)</b>	Include sustainable procurement in your key procurement staff's personal development and appraisal process	Embed the suggested objectives into staff's personal development and appraisal process. Measure staff's performance against the objectives and reward good practice.	SPB	Departments / Line Managers / HR / CMB	May-12
<b>5 (People)</b>	<b>Do you publicise your achievements in sustainable procurement?</b>	<b>5</b>	<b>5 (S); 10 (G)</b>	Include sustainable procurement in your communication plan	Review your communication plan/strategy with a focus on sustainable procurement	Procurement Champion	Press & PR Communication Group	May-12
<b>6 (Policy)</b>	<b>Does your organisation have agreed sustainability objectives?</b>	<b>8</b>	<b>10 (B)</b>	Identify key sustainability objectives for the whole organisation	Provide spend analysis	Procurement Champion	CPT, Departments	May-12
<b>7 (Policy)</b>	<b>Does your organisation have a sustainable procurement policy?</b>	<b>7</b>	<b>10 (B)</b>	Finalise and gain senior level endorsement for sustainable procurement policy	Gain senior management endorsement	SPB	CPT, Departments, CMB	May-12

<b>8 (Policy)</b>	<b>Does your organisation have a sustainable procurement strategy?</b>	<b>10</b>	<b>5 (S); 10 (G)</b>	Formally communicate SP strategy to staff and suppliers	Set time scales, dedicate resources to the campaign	Corporate Procurement	Press & PR , Communication Group, Web Team, Virtual Procurement Network	May-12
<b>9 (Policy)</b>	<b>How is your sustainable procurement strategy linked with other organisational strategies and management system such as corporate strategy and EMS?</b>	<b>8</b>	<b>5 (S); 10 (G)</b>	Link SP strategy to all relevant strategies and management systems	Provide all relevant corporate strategies and dedicate resources as necessary	Corporate Procurement	SPB, Departments, Virtual Procurement Network	May-12
<b>10 (Process)</b>	<b>Is your sustainable procurement strategy (or action plan) scrutinised?</b>	<b>10</b>	<b>5 (S); 10 (G)</b>	Use SP strategy to inform future procurement priorities	Formally refer to SP strategy when making procurement decisions	Procurement Champion	CPT, SPB, Departments	Ongoing
<b>11 (Process)</b>	<b>Have you done expenditure analysis?</b>	<b>10</b>	<b>5 (B); 10 (S)</b>			Corporate Procurement		Ongoing
<b>12 (Process)</b>	<b>Do you know what your organisation's procurement's sustainability impacts are?</b>	<b>5</b>	<b>5 (B); 10 (S)</b>	Carry out a detailed sustainability risk analysis and prioritize high risks for action	Identify key stakeholders and dedicate resources	Procurement Champion	Departments	May-12

<b>12 (Process)</b>	<b>Do you know what your organisation's procurement's sustainability impacts are?</b>	<b>5</b>	<b>5 (B); 10 (S)</b>	Prioritize high risk categories for action	Provide information on how contracts are currently awarded and managed.	Procurement Champion	Departments	May-12
<b>13 (Process)</b>	<b>To what extent do you consider sustainability criteria in contracts?</b>	<b>7</b>	<b>5 (B); 10 (S)</b>	To ensure sustainability issues are considered at an early stage in most contracts	Provide standard contract documentation	Corporate Procurement	Virtual Procurement Network	Ongoing - approx 1/2 days per project
<b>14 (Process)</b>	<b>Are sustainability risks in your supply chain managed effectively through the procurement contracts?</b>	<b>2</b>	<b>5 (S); 10 (G)</b>	Implement formal sustainability risk management process for key contracts	Engage key stakeholders & suppliers. Commit to regularly monitor targets / KPIs as determined by supplier engagement programme.	Corporate Procurement	Virtual Procurement Network	May-12
<b>15 (Suppliers)</b>	<b>Do you have targets to improve sustainability with your suppliers?</b>	<b>5</b>	<b>5 (G)</b>	Set clear KPIs with key suppliers to improve sustainability	Engage with suppliers and collect performance data	Departments	Virtual Procurement Network, CPT, Sustainable Communities	May-12

<b>16 (Suppliers)</b>	<b>How does your organisation communicate with suppliers?</b>	<b>10</b>	<b>5 (B), 10 (G)</b>	Introduce sustainability issues into supplier communication programme	Set up a questionnaire for suppliers stating your priorities in terms of green products/services	Procurement Champion	Virtual Procurement Network, CPT, Sustainable Communities	May-12
<b>16 (Suppliers)</b>	<b>How does your organisation communicate with suppliers?</b>	<b>10</b>	<b>5 (B), 10 (G)</b>	Map supply chains for key spend areas.	To provide us with detailed information about your providers supply chains.	Corporate Procurement	Virtual Procurement Network, CPT, Sustainable Communities	May-12
<b>16 (Suppliers)</b>	<b>How does your organisation communicate with suppliers?</b>	<b>10</b>	<b>5 (B), 10 (G)</b>	Target key suppliers for intensive development.	Identify key suppliers and to provide detailed documentation about their performance on sustainable procurement.	Corporate Procurement	Virtual Procurement Network, CPT, Sustainable Communities	May-12
<b>17 (Suppliers)</b>	<b>How does your organisation engage with its suppliers on sustainability in procurement?</b>	<b>7</b>	<b>5 (B); 10 (S)</b>	Undertake detailed supplier spend analysis.	To provide us with results of your key supplier spend analysis including details of any further documentation provided by your key suppliers	Corporate Procurement	Virtual Procurement Network, CPT, Sustainable Communities	May-12

17 (Suppliers)	How does your organisation engage with its suppliers on sustainability in procurement?	7	5 (B); 10 (S)	Initiate general programme of supplier engagement with senior management involvement.	Identify and assign a senior member of staff to be involved with the initiation of a general programme of supplier engagement.	Procurement Champion	SPB, Departments, Virtual Procurement Network, CPT, Sustainable Communities	May-12
17 (Suppliers)	How does your organisation engage with its suppliers on sustainability in procurement?	7	5 (B); 10 (S)	Key suppliers to receive supplier engagement programme to promote continual sustainability improvement.	To encourage key suppliers to participate in the supplier engagement programme.	Procurement Champion	SPB, Departments, Virtual Procurement Network, CPT, Sustainable Communities	May-12
18 (Results)	Do you measure your current sustainable procurement performance?	7	5 (B); 10 (S)	Measures used to drive organisational sustainable development strategy direction with progress formally benchmarked with peer organisations considered as leaders in both public and private sectors.	Identify peer organisations with a view to formalising benchmarking process.	Procurement Champion	SPB, Departments, Virtual Procurement Network, CPT, Sustainable Communities	May-12

19 (Results)	Do you compare your organisation's performance in this area with others'?	10	5 (S); 10 (G)	Compare performance against other Authorities	Identify peer organisations with a view to formalising benchmarking process.	Procurement Champion	SPB, Departments, Virtual Procurement Network, CPT, Sustainable Communities, NLSA	May-12
20 (Results)	Do you measure your current sustainable procurement performance?	7	5 (B); 10 (G)	Measures used to drive organisational sustainable development strategy direction with progress formally benchmarked with peer organisations considered as leaders in both public and private sectors.	Identify peer organisations with a view to formalising benchmarking process.	Procurement Champion	SPB, Departments, Virtual Procurement Network, CPT, Sustainable Communities, NLSA	May-12



