

MUNICIPAL YEAR 2011/2012 REPORT NO. 179A

MEETING TITLE AND DATE:

Cabinet – 18 January
2012

Council – 25 January
2012

REPORT OF:

Director of Finance,
Resources and Customer
Services

Agenda – Part: 1	Item: 11
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Subject:

Corporate Procurement Strategy and
Sustainable Procurement Policy 2011-
2015

Wards: All

Cabinet Member consulted:

Cllr Andrew Stafford

Contact officer and telephone number:

David Levy,

E mail: david.levy@enfield.gov.uk

1. EXECUTIVE SUMMARY

- 1.1 This report seeks approval to adopt a new Corporate Procurement Strategy 2011-2015.
- 1.2 The Strategy incorporates the Council's Sustainable Procurement Policy which will enable the Council to have a more robust approach to the sustainable procurement of Goods, Services and Works and incorporate socio-economic and environmental considerations into procurement practice.

2. RECOMMENDATIONS

2.1 It is recommended to:

- Agree the Corporate Procurement Strategy and Sustainable Procurement Policy.

Please note as members have already received a copy of the Strategy document with the Cabinet agenda for January a copy has not been circulated with the Council agenda. If required, copies of the document have been left in the Members Library and Group Offices or can be obtained from the Governance Team Manager.

3. BACKGROUND

3.1 Sustainable procurement is a key mechanism through which local authorities can address social, economic and environmental objectives via the contracts it awards. Sustainable procurement can deliver benefits to the local community such as:

- Increasing local employment opportunities
- Putting money back into the local economy
- Making the Borough a better place to live and work through increased opportunities, markets and skills
- Reducing carbon emissions from Council activities
- Delivering efficiencies

3.2 Enfield Council currently has a 3rd party spend of £350m per annum. By effective procurement the Council can have a positive impact on the environment, the local economy and deliver social responsibility through sustainable procurement.

3.3 The policy outlines the Council's commitment to make spending decisions in a way that achieves both value for money for the Council on a whole life cycle basis, and also wider economic, social and environmental benefits.

3.4 The Corporate Procurement Strategy and Sustainable Procurement Policy will be delivered in conjunction with other Council strategies, policies and action plans that have been developed to ensure the theme of sustainability continues to figure as a 'golden thread' across the Council to ensure we deliver our sustainable aims and objectives. Complementing strategies/policies and action plans include:

- Sustainable Communities Strategy Carbon Management Plan
- Climate Change Project Board Action Plan
- Council's Fairtrade Policy

4. ALTERNATIVE OPTIONS CONSIDERED

4.1 Consultation has taken place amongst key stakeholders across the Council including the Strategic Procurement Network (key officers with expertise in procurement & commissioning from across Directorates), the Strategic Procurement Board and the 'Mayor of London's Green Procurement Code' advisory consultant in the development of this policy and action plan.

5. REASONS FOR RECOMMENDATIONS

5.1 To provide a clear policy direction on effective and sustainable procurement across the Council and enable us to be in a good position to influence partners and the supply chain when procuring Goods, Services and Works.

- 5.2 To agree a way forward to ensure the Council continues its commitment to working towards achieving 'Gold' accreditation of the Mayor of London's Green Procurement Code.

6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS

6.1 Financial Implications

Expenditure under the sustainable procurement policy will be met from within existing group budgets.

6.2 Legal Implications

6.2.1 The Local Government Act 2000 placed a duty on local authorities to prepare a community strategy for promoting or improving the economic, social and environmental well-being of their area and contributing to the achievement of sustainable development in the UK and gave authorities the power to do anything they consider is likely to achieve the promotion of the area's well-being in that sense.

6.2.2 The Corporate Procurement Strategy Sustainable Procurement Policy is in accordance with the Councils Constitution, in particular Contract Procedure Rules and EU law (Public Contracts Regulations 2006) ("the Rules"). The Council will continue to monitor the policy to ensure continued compliance with the Rules.

6.2.3 EU Directive 2004/18/EC acknowledges that assessing the most economically advantageous tender balances price with other characteristics which may include "environmental performance and/or other sustainability criteria".

6.2.4 The Sustainable Procurement Policy will ensure that all tenders for goods, works and services are assessed upon the basis of the whole life costing of quotations, not simply lowest price, to ensure value for money in accordance with the Best Value principles under the Local Government Act 1999.

6.3 Property Implications

None.

7. KEY RISKS

- 7.1 Approval of the Sustainable procurement policy will impact upon the procurement of a range of services and contracts throughout the

Council. To ensure that the policy is embraced and embedded across the authority, Corporate Procurement will roll out training to those staff involved in the procurement process. Training will be delivered by existing staff and there are no foreseeable cost implications associated with this.

7.2 Corporate Procurement will continue to engage local businesses and the Third Sector to assist in the implementation of the Sustainable Procurement Policy.

- 7.3 Having a corporate procurement strategy will:
- mitigate the risk of non-compliance with the Local Government Act 2000;
 - It will provide a clear framework to support high levels of probity and accountability in the spending of public money;
 - Risk of not achieving value for money is reduced;
 - It should help enable in considered risk taking to achieve quality outcomes; and
 - Overall, to mitigate and manage risk to ensure continuity of quality service delivery to customers.

OPPORTUNITIES

- As mentioned under paragraph 3, "Background", above opportunities include making a positive impact on the local economy; and
- To provide clear policy direction and be able to influence partners and the supply chain when procuring goods and services".

8 IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for All

Through the development and implementation of this policy and the Council's Corporate Procurement Strategy we will strive to:

- Communicate the sustainable procurement policy to staff, suppliers and stakeholders.
- Promote and embed best practice for sustainable procurement.
- Ensure that procurement processes are appropriate to the scale and risk involved so that they are not unduly onerous.
- Publish our contracts register and forthcoming tendering opportunities on our procurement web pages and work with national and regional portals as appropriate.
- Ensure our procurement processes are open, fair and transparent.

8.2 Growth and Sustainability

Through the development and implementation of this policy and the Council's Corporate Procurement Strategy we will strive to:

- Engage with a diverse range of suppliers and ensure that all businesses have an equal opportunity of competing for Council contracts.
- Support SME, Voluntary/Third Sector organisations to bid and win Council business
- Train staff on sustainable procurement across the Council, its partners and share good practice.
- Identify opportunities for supported businesses (those with more than 50% disabled employees) and ring fence as appropriate

8.3 Strong Communities

Through the development and implementation of this policy and the Council's Corporate Procurement Strategy we will strive to:

- Develop a Community Benefit Toolkit
- Research and establish apprenticeships and work placement schemes with suppliers
- Encourage a positive contribution from our suppliers to the local communities in which they work.
- Develop contractual provisions where appropriate

9 PERFORMANCE MANAGEMENT IMPLICATIONS

- 9.1 The policy will ensure that all tenders for goods, services and works are assessed upon the basis of the whole life costing of quotations, not simply lowest price.
- 9.2 Yearly assessment against the Mayor of London's green procurement code action plan will demonstrate the Council's progress towards achieving Gold accreditation.

10 HEALTH AND SAFETY IMPLICATIONS

None.

Background Papers

None.