



CORPORATE PROCUREMENT STRATEGY

2020 – 2023



Foreword

Welcome to Middlesbrough Council's Procurement Strategy 2020 – 2023. This Procurement Strategy is an interim strategy in place until 2023 due to the current challenges presented by COVID. Post Covid a full strategy re-design will be progressed in partnership with the wider business sector planned in for 2021/22, which will allow time to truly understand both the full impact of COVID and the impact of any policy implications as result of Brexit.

Middlesbrough Council has the resilience, drive and ambition to take on anything which has been seen by the success of managing to continue to provide services and drive physical regeneration of the town even in times of significant austerity. A new challenge is now here and we will continue to make Middlesbrough the best place to live, work and grow and have already achieved so much positivity for the town and our local businesses even with Covid 19.

Since 23rd March 2020 the resilience of the people and communities of Middlesbrough have been so positive. It is inspiring to see how much passion the people of Middlesbrough have for their home and having seen such selflessness, care and compassion, in supporting our most vulnerable through these difficult times has been fantastic.

It is more important than ever that we ensure every pound spent or invested contributes to our objectives and allows the Council to find opportunities to help local businesses, the voluntary sector and the community as a whole, in the most appropriate and transparent way.

Middlesbrough Council spends approximately £120m per year across its supplier base to support its various activities; from keeping the streets clean, to providing care and support for our most vulnerable to building and creating new affordable housing for residents in the heart of our communities.

Increasing investment in Middlesbrough sits at the heart of our new procurement strategy, and through this we will seek every opportunity to ensure that local businesses form part of the Council's supply chain.

For this to continue, procurement has a pivotal role to play in supporting much of what the Council is looking to do. This document sets out how the Council is looking to align our priorities and embed the three key pillars of the Procurement Strategy to achieve the economic, social and environmental benefits for Middlesbrough.

Whilst the impact of Covid 19 has been significant, we know that Middlesbrough Council and our residents have the skills, passion and ambition to ensure that we come out on top.

Picture of Head of
Procurement &
Commissioning

Louise Grabham, Head of Commissioning & Procurement

1 Introduction

This procurement strategy is in place to support the delivery of the Council's strategic priorities by ensuring they are central in every procurement that is undertaken for Middlesbrough.

The Council wishes to ensure that its own values and ethos are reflected in the organisations and individuals that it does business with.

This includes awareness and adherence to the UK Law and Middlesbrough Council policies. For example, Health & Safety Acts and regulations, Safeguarding, Equality & Diversity, Confidentiality & Publicity, Data Protection, Freedom of Information, the Modern-Day Slavery Act, Anti-Terrorism and Anti-bribery.

Middlesbrough will contribute to facilitating economic growth, including improved infrastructure and housing.

The Council promotes effective procurement across the Borough, by having regard to local employment and skills shortages, social value, localisation and ensuring wherever possible contracts are Small and Medium Enterprise (SME) friendly.

Council Priorities:

<p>People</p> 	<ul style="list-style-type: none">● Tackling crime and anti-social behaviour head on● Ensuring Middlesbrough has the very best schools● Ensuring our town is an absolute leader on environmental issues
<p>Place</p> 	<ul style="list-style-type: none">● Transforming our town centre with new buildings that inspire awe● Building more town centre homes – and protecting our green spaces● Making Middlesbrough look and feel amazing
<p>Business</p> 	<ul style="list-style-type: none">● Winning investment and creating jobs● Introducing a new era of Council transparency and openness● Creating positive perceptions of our town on a national basis

This Strategy therefore sets out how we will:

- ◆ Strive to make procurement easier for suppliers and the Council alike as possible
- ◆ Challenge and drive value for money from all procurement activity.
- ◆ Maximise innovation, sustainability and collaboration in our procurement activities to support the Council's strategic objectives
- ◆ Ensure social value and local return is at the heart of our procurement opportunities
- ◆ Continue to increase the visibility of our tender opportunities to our local and SME suppliers
- ◆ Make the best use of local, sub-regional, regional and national collaborative arrangements where significant benefits for Middlesbrough can be evidenced.

This Strategy is intended to provide a high-level statement about our direction of travel and the principles that we will follow. If you need detailed information about the “how to” aspects of procurement then you should refer to the Strategic Commissioning and Procurement Team.

2 What is Procurement?

When we need to acquire goods, services or works that cannot be provided in house we procure those from external providers (which may be a contractor, third sector supplier or another public sector body). Procurement is the process we use to acquire/purchase such goods, services and works from those external providers.

Whilst responsibility for procurement resides in each Council service area, the Strategic Commissioning and Procurement Team will assist service areas with their procurement requirements as appropriate.

Procurement is a strategic process that follows a clear pattern and includes the following:

- ◆ managing the various categories of expenditure to identify the most appropriate procurement route to the market
- ◆ securing the most cost effective solution to meet the Council's needs
- ◆ management and the delivery of the contract
- ◆ learning any lessons for future procurements

Competitive procurement remains the foundation of the Council's procurement approach but there will be circumstances where negotiations and contracts with specialist providers may be appropriate.

3 The Vision for Procurement

The vision for Procurement is to enable the Council to procure what it needs to achieve its priorities ensuring the Council obtains the goods, works and services to the highest standards within the financial and other resources available.

To do this we have adopted the following Strategic Themes for the period covered by the Strategy.

Straightforward: To make procurement as straightforward as possible for the Council and potential suppliers, in particular to improve access for local suppliers, SMEs, the VCS/ Third Sector and to eliminate anything that does not add value to the procurement.

Strategic: To use sound procurement practices and innovative solutions to promote sustainability and value for money, making use of collaboration and partnership opportunities where this meets the needs of the Council

Develop local opportunities: To support and encourage an effective local supplier market including the voluntary sector and the promotion of local social value in contracts (such as the creation of apprenticeships and local supply chains).

4 Our Procurement Principles

Fundamental to this strategy are our Procurement Principles. These are the principles that will guide how we conduct our procurements and how we develop procurement activity and the central resource.

General

- ✓ Throughout any procurement the Council will be clear about the outcomes and objectives it wants to achieve and the steps that it will take to achieve them.
- ✓ The Council's requirements identified at each stage of procurement will be critically assessed in relation to the Council's strategic priorities and affordability.
- ✓ The assessment of risk associated with a procurement will aim to achieve a balance with commercial outcomes placing risk where it is best managed.
- ✓ Wherever possible requirements will be expressed in terms of outcome and performance to provide scope for innovation.

Value for money

- ✓ The Council will aim to achieve the best combination of whole-life cost and quality to fulfil the requirements of the users of the service (internal or external as appropriate) or works (e.g. a building) or commodity.

- ✓ The Council will take a long-term view of the procurement or its requirements, including the potential for innovative funding and the opportunity for working with other authorities especially for goods and services which can be procured more cost-effectively in a collaborative group.
- ✓ The Council will strengthen its contract and category management systems in order to improve and innovate our analysis and interpretation of spend to ensure resources are allocated in the right places.
- ✓ The Council will continue to monitor its use of purchasing cards across the Council to ensure they are being used effectively and in line with policy and procedure and subject to annual audit.

Sustainability

- ✓ Improving sustainability throughout our supply chain is an essential component of our commitment to reduce our environmental impact and lead by example and we will seek every opportunity to drive sustainability through our procurements.

The local supply base

- ✓ The Council will support local businesses and VCS organisations through a range of initiatives including:
 - Making it simpler to do business with the Council;
 - Reduce the bidding burden on suppliers.
 - Have regard to the impact on small/local firms of the way in which a procurement is structured
 - Providing clear information about selling to the Council on our website;
 - Providing information where it can about potential sub-contract opportunities arising from major Council procurements

Relationships with suppliers

- ✓ In longer-term contracts, the Council will incorporate provisions for continuous improvement both within the contracted service and to the benefit of the community it is serving.
- ✓ In higher value contracts the Council will challenge contractors to identify ways in which they can contribute to improving the economic, social and environmental well-being of Middlesbrough.

Equality

- ✓ Equality issues must be considered as a key requirement in any contract which involves direct contact with the public or where the contractor is acting on the Council's behalf in a public environment.

Our conduct

- ✓ In all our dealings in the procurement process, the Council will preserve the highest standards of honesty, integrity, impartiality and objectivity and shall comply with the Council's Standing Orders and Codes of Conduct at all times.
- ✓ All procurement opportunities will be published electronically on the North East Procurement Organisation (NEPO) e-tendering system and all potential bidders will be offered access to advice, guidance and training as required either via the supplier, NEPO or the Council.
- ✓ In selecting contractors the Council will generally evaluate offers received on the basis of the most economically advantageous tender (MEAT) and will take into account, where appropriate, whole life costing seeking an appropriate balance between cost and quality.
- ✓ Will make every effort to ensure that any contractor delivering a service on behalf of the Council conducts themselves in such a way as not to cause any reputational damage to the Council and will be expected to comply with our Codes of Conduct.
- ✓ In every procurement the Council will ensure that its approach to the market is consistent with these principles.