

NORTH LEVEL DISTRICT INTERNAL DRAINAGE BOARD

CORPORATE PROCUREMENT POLICY

JULY 2010

REVISION DATE

July 2015

POLICY INTRODUCTION

Procurement of goods, works and services is fundamental in fulfilling the requirements of best value, to enable the Board to deliver value for money quality services that satisfies the current and future needs of our customers, as well as achieving the Board's corporate themes and objectives and promote a sustainable community.

POLICY AIM

This policy is aimed at promoting effective procurement across the Board by determining the strategic role of procurement within the business framework, and will form part of the leadership arrangements that will be implemented to secure best value. This policy will promote effective procurement in terms of social outcome and community benefits, as well as the achievement of best value and continuous improvement.

The aims of this policy are to:

- make sure that procurement planning reflects the Board's corporate themes and objectives
- provide a common framework for the full range of procurement activities carried out
- make sure there is a consistent, robust, open and accountable approach to service delivery and continuous improvement
- secure commitment to effective procurement from members and employees
- encourage working with others in the public, private or voluntary sector to widen the scope for innovative service delivery
- make sure that best value and best practice are being consistently applied in procurement and contract management
- provide a corporate focus for procurement and facilitate the co-ordination of procurement activities
- encourage strategic procurement planning when preparing annual business plans and budgets
- promote equality and fair treatment in the procurement of goods, works and services
- make sure that an assessment of supplier's commitment to sustainable development and workforce issues form an integral part of the procurement process

POLICY STATEMENT

Strategic Procurement

The impetus for a strategic approach to procurement is best value, which recognises that good procurement practice is essential to obtain real improvements to service cost and quality. This approach is confirmed by the Byatt report which states that 'better procurement should be an integral part of best value within every authority, as the achievement of best value depends on good procurement'.

The principles of best value will form the basis for making all strategic procurement decisions, in order to achieve the optimum combination of whole-life cost and quality to meet the customer's requirements, with other factors regarding social, economic and environmental sustainability being considered when they are relevant to the contract and obtaining value for money. The principles of ethical procurement will also be observed to make sure that the Board and its suppliers are trusted and respected by those with whom it deals and does business to make sure the highest standards of propriety and regularity are observed.

The procurement framework will provide the leadership, system and culture to provide commitment to continuous improvement and sustainable development, as well as achieving the Board's mission statement.

This policy and the strategies which follow will provide us with the ability to manage and apply resources where they are needed most and work closely with partners from the public, private and voluntary sectors to achieve more for our customers.

The strategic management of procurement requires the development of robust corporate systems to measure performance covering cost, quality, effectiveness, efficiency, equity of service provision and sustainability to make sure best value and continuous improvement are achieved.

Best Value

Best value imposes a legal duty on all local authorities 'to continuously improve the services they provide having regard to a combination of economy, efficiency and effectiveness'.

The strategic management of procurement will make sure that public money is spent economically, efficiently and effectively to secure value for money, through the promotion of a competitive market for the provision of goods, works and services. The Board will make sure that all services are periodically exposed to genuine competitive pressure, either through indirect competition (that is benchmarking) or direct competition (that is alternative means of procurement). Where services are delivered in-house and provide a value for money quality service that meets the requirements of the Board's customers, its corporate objectives and is competitive with the best alternative, there will be no requirement to subject the service to further competition, as long as continuous improvement is being achieved.

The procurement framework will encourage a competitive supply market for the provision of goods, works and services, at the same time as supporting social, economic and environmental considerations where this is in line with best value.

Continuous Improvement

Getting procurement right is crucial for the achievement of our corporate objectives and in particular to secure continuous improvement. Additional improvement in procurement will, however, rely on other key strategies being developed such as sustainability, risk management, partnerships and fair employment.

The Board will look to build relationships with suppliers and contractors, for the delivery of services where they share our values and principles in relation to being a good employer with a quality, well

trained and motivated workforce to secure high quality service delivery throughout the life of the contract.

Implementation Process

This policy aims to fully integrate effective procurement into the business framework, to help the Board make informed decisions about how to deliver its corporate and operational objectives most effectively, by selecting the most appropriate model of service delivery for each instance. A corporate approach to procurement will deliver focus, direction, standardisation, accessible and relevant management information and improved service delivery, as well as promote competition, innovation and good practice in the procurement of goods, works and services.

The policy will look to build upon the Board's existing capacity, to enhance procurement skills and develop best practice guidance.

IMPLEMENTATION

The key to the success of a fully integrated procurement policy is ownership and commitment of members and senior managers. Respective roles and responsibilities need to be clearly stated, understood and accepted.

CONTRACTS

1. The following procedures shall be employed in connection with the procurement of goods and services:-

<u>Estimated Value of Goods / Services</u>	<u>Action to be taken</u>
< £1,000	No quotation / tenders required
£1,001 - £2,500	Obtain 3 verbal quotations
£2,501 - £5,000	Obtain 3 written quotations
£5,001 and over	Obtain 3 tenders

2. Tendering may be selective or open, although, whenever possible, selective tendering shall be used and tenders invited to ensure that the required number of tenders are actually received.
3. Where it is considered there are valid reasons for departing from the procedures in (1) above, the Board's approval shall be obtained.
4. Tenders shall be opened, not earlier than the closing date prescribed in the tender documents, in the presence of the Chief Executive, the Engineer to the Board and the Chairman or Vice Chairman to the Board or other suitable member. A declaration shall be signed to such effect by the persons present at the opening of the tender(s).
5. Where a tender is accepted other than the lowest, the Board's approval shall be obtained.

PURCHASES OF GOODS AND SERVICES

1. The Chief Executive to the Board shall have the authority to effect the purchase of goods and services up to the value of £10,000 and the ordering of general repairs to the Board's assets up to the value of £10,000.
2. The Chief Executive to the Board shall seek the Chairman of the Board's authority to effect the purchase of goods and services over the value of £10,000.
3. For all goods and services with a value of £20,000 and over, the Board's approval shall be obtained prior to the purchase being effected.

4. The requirement under 3 above, may be dispensed with if the goods or services are required urgently such that it would not be feasible or practical to obtain the Board's approval. In such cases, the Chairman's approval shall be obtained and later ratified by the Board.
5. It shall be the duty of the Chief Executive to ensure that goods and services are ordered on the official order forms and are necessary for the efficient working of the Board's operations.
6. All invoices for payment shall be examined, coded and approved by the person responsible for the order and certified by the Chief Executive or the Engineer to the Board.
7. See "Contracts" Section for further Financial Regulations in connection with the purchase of goods and services.

MONITORING

The policy will be monitored by the Governance and Audit committee.

Corporate Procurement Policy Statement

Appendix 1

The Corporate Procurement Policy has been designed to provide employees responsible for procurement with a good understanding of how the procurement process will assist the Board in achieving its corporate objectives, demonstrate best value and continuous improvement. The policy will deliver a robust framework that will make sure that effective procurement exists across all the Board's services and is carried out in accordance with the regulatory framework. The policy sets out a set of principles that underpin effective procurement to enable us to deliver value for money quality services that meet the current and future needs of the local community. The Corporate Procurement Policy sets out a strategic framework to make this happen and will be accompanied by strategy guidelines to observe when planning for procurement.

Procurement involves the full range of activities that lead to the effective procurement of goods, works and services, spanning the entire 'procurement lifecycle' from initial concept and definition of business need through to the end of the useful life of an asset or the end of a service contract. Although the steps involved in procuring different types of goods and services vary, they share certain characteristics; crucially procurement must always be competitive, fair and transparent.

It is recognised that much of our procurement activity falls outside the scope of the EC Procurement Rules, therefore a Corporate Procurement Policy and Strategy with supporting best practice guidance will be developed and implemented, which will underpin our ability to deliver the Board's corporate themes and objectives through effective procurement by:

- confirming the importance of procurement as a key activity to all employees and members
- making sure that all future procurement activity is economic, efficient and effective
- identifying achievable savings on budget through more efficient and effective procurement
- making sure all procurement activities operate within the Board's, Financial Regulations and EC/UK legislation in a timely and consistent manner.

The Corporate Procurement Policy and framework requires the full support and commitment of Members, the Chief Executive and senior staff. Senior Staff will be accountable to Members for effective procurement of Board services and will make sure that appropriate procedures, resources and skills are in place to achieve this. Members will take a strategic role in making sure that the Board's objectives on procurement are satisfied through the democratic process.

Approved2nd February 2011

Review date.....July 2015

Signed.....