RECOMMENDED that the Procurement Strategy 2015 is approved as the framework for achieving the Council's objectives and aspirations in the procurement of goods, works and services.

REASON FOR DECISION

A To update the Procurement Strategy in line with European and National legislative changes that govern procurement and the aspirations of the Council.

BACKGROUND

1. The Council’s Procurement Strategy has been reviewed to take account of recent European and National changes and the aspirations of the Council.

2. The European Union Public Contracts Directive 2014 introduces a more modern, flexible and commercial approach to procurement, i.e. faster procurement exercises with less red tape, more focus on the getting the right supplier and the best tender. The new Directives will be implemented into national law by the Public Contracts Regulations 2015.

3. The Public Contracts Regulations 2015 introduce major changes to the way the public sector procures goods and services. The changes are intended to simplify the approach to procurement across public sector authorities to enable small businesses to gain better and direct access to the public sector
market. The key changes to be introduced in early 2015 are:

(a) removal of Pre-Qualification Questionnaire (PQQ) for low value contracts for supplies and services;
(b) a single and standardised PQQ (for the public sector) for above European Union threshold;
(c) all opportunities (£25,000) to be published on Contracts Finders including details of the winning bidder and type of organisation e.g. small business;
(d) promotion of payment of invoices within 30 days and these terms incorporated into contract conditions;
(e) late payment of invoices to first tier suppliers to be published annually.

4. The Small Business Enterprise and Employment (SBEE) Bill introduces a range of measures to streamline procurement and reduce barriers. The Bill also gives Central Government more powers to help small businesses gain better access to public sector contract opportunities.

5. The Social Value Act 2012 requires contracting authorities to consider, through procurement, how to improve the economic, social and environmental well-being of the area they serve and the procurement process for securing improvement and measuring the Act during the life of a contract.

6. The Act has been incorporated in the Council’s Contracts Standing Orders and prior to the commencement of the procurement process full consideration is given to the three main areas.

7. The Council’s standard terms and conditions have been amended (where appropriate) to include the Council’s aspirations in respect of Blacklisting and Other Discriminatory Practices.

8. Through the procurement process and contract management, suppliers will be encouraged to embrace the Council’s aspirations for the Living Wage, Apprenticeships and Local Employment.

9. The Strategy will be supported by a series of guidance documents and toolkit that make up Harlow’s procurement framework. The documents are practical guides designed to provide more information on the systems, procedures and actions require by Officers to meet the requirements of the Strategy.

10. The Strategy will inform staff, potential suppliers, contractors and residents about the Council’s approach to procurement and the governance arrangements associated with buying goods, works and services.
IMPLICATIONS

Regeneration (includes Sustainability)
Contained within the report.
Author: Graeme Bloomer, Head of Regeneration

Finance (Includes ICT)
The adoption of the Strategy will potentially deliver improved financial efficiencies for the Council, driven by the new legislation set out in the report.
Author: Simon Freeman, Head of Finance

Housing
None specific.
Author: Andrew Murray, Head of Housing

Community Wellbeing (includes Equalities and Social Inclusion)
None specific.
Author: Graham Branchett, Chief Operating Officer

Governance (includes HR)
Contained within the report.
Author: Brian Keane, Interim Head of Governance

Background Papers

Procurement Strategy

Glossary of terms and abbreviations
CSOs – Contract Standing Orders
KPI – Key Performance Indicator
SBEE - Small Business Enterprise and Employment Bill
TUPE – Transfer of Undertakings (Protection of Employment) Regulations 2006