

## A.2 APPENDIX 1



# Procurement Strategy for the Essex Procurement Partnership

## Introduction

The Essex Procurement Partnership (EPP) is a collaboration of Local Authorities in Essex which has been formed with the aim to enable effective and professional procurement, maximizing the value for every pound spent by local authorities across Essex to the benefit of local residents.

EPP consists of the following Local Authorities (“the Authorities”):

- Braintree District Council
- Castle Point Borough Council
- Epping Forest District Council
- Essex County Council
- Tendring District Council

Through EPP the Authorities will work collaboratively to pool resources to deliver the day-to-day Procurement Activities and wider specialist procurement advice and support relating to policy development, category management, market management and sourcing.

EPP will work to deliver the objectives of the National Procurement Strategy for Local Government in England 2022 to ensure effective procurement practice is in place in line with the LGA toolkit to enable each member of EPP to deliver value for money through its third party spend.

EPP will ensure that procurements are undertaken compliantly and in line with the Procurement Act 2023 and Regulations and guidance, so mitigating the risk to the member Authorities and delivering against the objectives of the Act, namely:

- Delivering value for money
- Maximising public benefit
- Sharing information for the purpose of allowing suppliers and others to understand the Authority’s procurement policies and decisions; and
- Acting, and being seen to act, with integrity

The EPP operates under a Collaboration Agreement that sets out the principles, objectives, and governance arrangements of the partnership. The EPP also has a Steering Group that oversees the strategic direction and performance of the partnership.

The purpose of this procurement strategy is to define the EPP’s organisational approach to procurement and to support the EPP members in delivering their individual and collective objectives and outcomes.

## Rationale for the Collaboration

This service has been formed because, following careful consideration, each of the participating Authorities has concluded that it will enable them collectively to achieve their corporate plans, visions, aims and objectives, as supported by procurement, more effectively than by each of them acting independently or by some other means. In particular, by collaborating, this will...

- a. **Create Resilience** - Increasing the core team supporting the councils, enabling the team to flex to demand. This resilience is increased further through access to support from the wider Essex County Council (ECC) team.
- b. **Increase Expertise** – A larger team enabling more effective preparation for the Procurement Act 2023 as well as focus on specific categories of spend, so understanding these markets and enabling better value. Access to the wider ECC team, will also enable access to significant category knowledge and skills.
- c. **Enable Collaborative savings** – By working together the team will be better able to access procurement forward plans and contract registers, analysing this across multiple organisations and identifying where procurement and supplier management opportunities exist.
- d. **Increase Market influence** – With a greater collaborative spend the team will have more market influence to achieve value. As a collaboration of five authorities, the collaborative procurement team will have a strong foothold as a collaborative function with the ability to grow. This also avoids the alternative i.e. competition between the two collaborative functions, leading to higher costs.
- e. **Reduce duplication** – Both in terms of procurement activities but also in documentation and adherence to procurement rules, allowing teams to focus on additional cost saving activity. This will also provide benefit to the entire supplier community, particularly Small to Medium Enterprises and Voluntary sector organisations, reducing the time to understand bid documents.
- f. **Staff Retention** – With access to a greater range of opportunities and links with the wider procurement team of the Lead Party (ECC) , this should aid staff retention and attractiveness to candidates.
- g. **Governance** - ensuring the member Authorities have appropriate and proportionate controls, systems and standards to manage procurement risk and to comply with legal requirements.

## Vision and Goals

The vision of the EPP is to be a leading public sector procurement partnership which enables best in class procurement, maximizing the value for every pound spent by local authorities across Essex to the benefit of local residents.

The goals of the EPP are to:

- Ensure compliant and effective procurement practice in line with the National Procurement Strategy recommendations and the requirements of the Procurement Act 2023.
- Achieve savings and efficiencies through collaborative procurement.

- Improve the quality and outcomes of the services procured by the EPP members.
- Enhance the skills and capabilities of the EPP procurement staff and stakeholders.
- Foster a culture of continuous improvement and innovation in procurement.
- Promote ethical, sustainable, and inclusive procurement practices that support the environmental, social, and economic well-being for each Authority area.
- Strengthen the relationships and trust among the EPP members and with the suppliers and partners.

### **Scope and Remit**

EPP will offer a comprehensive service with capability across Category Management, Market Shaping and Sourcing. Specifically the collaboration will

- Ensure a central professional procurement resource
- Develop and deliver procurement training and development programmes for the EPP procurement staff and stakeholders. The EPP also fosters a learning and sharing culture within the EPP and the EPP members.
- Develop and maintain a good understanding of partner spend and contractual commitment
- Develop a good understanding of the sourcing markets for key categories of spend for the parties through the undertaking of market analysis for sourcing projects
- Deliver effective sourcing support to each party
- Create mature procurement processes, procedures and approaches which deliver value to the Parties and the communities they represent

### **Strategic Priorities and Actions**

This strategy acknowledges the changes implemented by the Procurement Act 2023. Where needed this strategy will be varied to meet any obligations of this Act as it is implemented.

The strategy and operation of procurement activity will have to adhere to Government's guidance addressing all aspects of the new regime, covering subjects from transitional arrangements and covered procurement through to premarket engagement, award rules, exclusions and contract modifications.

To aid navigation the Government have published guidance documents under the four stages of the commercial pathway being:

- Plan – Having clear and transparent commercial pipelines and a good understanding of the market to plan for the procurement process.
- Define – Achieving flexible, efficient procurement process that encourage broad participation and are open and accessible to all.
- Procure – Evaluating bidder compliance with exclusion grounds and selecting suitable suppliers for the contract.
- Manage – Working with suppliers and managing the contract to ensure successful achievement of the contractual outcomes.

The EPP will ensure procurement activity is delivered in line with the above objectives of the Procurement Act 2023, specifically:

- **Plan:** Having clear and transparent commercial pipelines and a good understanding of the market to plan for the procurement process. This will be achieved through:
  - Supporting the creation of detailed representative contracts registers and a combined forward plan of procurement activity to enable understanding of spend and ability to deliver the requirements around transparency as set out in the Procurement Act 2023
  - EPP, moving to a proactive model, supported by a forward plan, to work with colleagues in each Authority to develop a good understanding of the market and the most advantageous approach to tendering for each Authority.
- **Define** – Achieving flexible, efficient procurement process that encourage broad participation and are open and accessible to all. To enable this EPP will:
  - Ensure EPP is embedded as part of the team for each member authority to, in a phased manner, undertake sourcing activities above each Authority's tender threshold and provide a structured compliant approach to all procurements over £30,000.
  - Develop common procurement documentation which is easy for suppliers to understand and access through a common e sourcing platform, reducing barriers for SME and Voluntary sector organisations, in particular.
  - Understand and align procurements with the EPP members' service needs, expectations, and objectives.
  - Apply outcome-based and value-based procurement approaches to specify and evaluate the procurement requirements and bids maximising the increased flexibility brought by new procedures as set out within the Procurement Act 2023.
  - Identify and exploit opportunities for aggregation, standardisation, and rationalisation of procurement spend and contracts enabling members of EPP to push efficiency.
  - Negotiate and secure the best value for money and terms and conditions from the suppliers.
  - Optimise the use of existing frameworks and contracts, both internal and external to enable value and the ability to flex with organisation needs.
  - Leverage the economies of scale and the collective bargaining power of the the EPP members.
  - Embed a structured and robust approach to evaluating Social Value within each Authority's procurement approach enabling consideration of a range of factors which will best advantage the Authority as set out in the Ethics and sustainability section below.
- **Procure** – Evaluating bidder compliance with exclusion grounds and selecting suitable suppliers for the contract, EPP will:

- Ensure robust and effective evaluation methodologies are used to ensure the Most Advantageous Tender is chosen and that there is clear evidence for the decision to award, including a Procurement Report for those procurements above the Public Contract Threshold.
- Apply outcome-based and value-based procurement approaches to specify and evaluate the procurement requirements and bids using the new procedures as set out within the Procurement Act 2023.
- Ensure suppliers are checked against the exclusion grounds as part of the procurement process and suppliers are reviewed against the 'Excluded' and 'Excludable' suppliers list.
- **Manage** – Working with suppliers and managing the contract to ensure successful achievement of the contractual outcomes, EPP will
  - Incorporate quality assurance and improvement mechanisms into the procurement and contract management processes.
  - Work with the contract managers within each Authority to ensure the procurement includes quality assurance and contract management processes and they are able to be appropriately managed.
  - Contract Managers within each Authority will work with suppliers and manage in a robust manner to ensure services are delivered in line with the terms of the contract agreement.

In addition to delivering against the Procurement Act, the EPP will benchmark activity against the National Procurement Strategy and LGA toolkit, identifying areas of weakness and implementing actions plan to deliver against these. This will be reviewed on an annual basis, evaluating performance against the action plan and revising where needed.

In consideration of this, in consultation with members of EPP and in addition to delivery of the above activity in line with our obligations under the Procurement Act. EPP will deliver the following strategic priorities and actions for it's three year trial period.

- **Skills and capabilities:** The EPP will enhance the skills and capabilities of the EPP procurement staff and stakeholders by:
  - Conducting a skills and capability assessment and gap analysis for the EPP procurement staff and stakeholders
  - Developing and implementing a procurement competency framework and career development plan for the EPP procurement staff
  - Developing and delivering a procurement training and development programme for the EPP procurement staff and stakeholders
  - Providing coaching and mentoring support to the EPP procurement staff and stakeholders
  - Establishing and facilitating procurement communities of practice and networks within and across the EPP and the EPP members

- Improvement and innovation: The EPP will foster a culture of continuous improvement and innovation in procurement by:
  - Establishing and implementing a procurement performance management and improvement framework and plan
  - Setting and monitoring the key performance indicators and targets for the EPP and the EPP members
    - Measuring and reporting the impact and benefits of the procurement activities and contracts on the EPP members' service delivery and outcomes
  - Conducting regular procurement audits and reviews to identify and address the issues and risks
  - Soliciting and acting on the feedback and suggestions from the EPP procurement staff, stakeholders, suppliers, and partners
  - Encouraging and rewarding the procurement best practices and innovations within and across the EPP and the EPP members
- Ethics and sustainability: The EPP will promote ethical, sustainable, and inclusive procurement practices that support the environmental, social, and economic well-being of Essex by:
  - Developing and implementing a procurement social value policy and strategy for the EPP and the EPP members
  - Integrating social value criteria and measures into the procurement and contract management processes and decisions
  - Engaging and collaborating with the local communities, businesses, and organisations to identify and deliver the social value outcomes
  - Developing and implementing a procurement environmental policy and strategy for the EPP and the EPP members
  - Integrating environmental criteria and measures into the procurement
  - Implementing green procurement practices and initiatives to reduce the environmental impact and carbon footprint of the procurement activities and contracts
  - Developing and implementing a procurement diversity and inclusion policy and strategy for the EPP and the EPP members
  - Integrating diversity and inclusion criteria and measures into the procurement processes and decisions
  - Supporting and promoting the participation and representation of the underrepresented and disadvantaged groups in the procurement activities and contracts
- Relationships and trust: The EPP will strengthen the relationships and trust among the EPP members and with the suppliers and partners by:
  - Communicating and consulting with the EPP members and stakeholders on the procurement strategy, plans, and activities.

- Sharing and disseminating the procurement information, knowledge, and best practices among the EPP members and stakeholders.
- Resolving and managing the conflicts and disputes that may arise within or between the EPP members and stakeholders.
- Recognising and celebrating the achievements and successes of the EPP and the EPP members.
- Engaging and communicating with the suppliers and potential suppliers on the procurement opportunities, processes, and expectations.
- Providing fair and transparent procurement processes which are clear, open and transparent taking a whole contract lifecycle approach and setting out clear accountabilities.
- Collaborating and co-creating with the suppliers and partners to deliver innovation and social value.

## **Conclusion**

This procurement strategy sets out the vision, goals, scope, and priorities of the EPP for the next three years. It also outlines the actions that the EPP will take to achieve its goals and to support the EPP members in their procurement activities.

The EPP will review and update this procurement strategy annually to ensure that it remains relevant and responsive to the changing needs and circumstances of the Authorities.

The EPP will also monitor and report on the progress and performance of this procurement strategy to members and stakeholders.

The EPP is committed to delivering efficient, effective, and sustainable procurement solutions for the benefit of the local community.