

**North East  
Derbyshire**  
District Council

**Procurement Strategy 2020– 2025**

**DRAFT DOCUMENT**

**October 2021**



North East  
Derbyshire  
District Council

*We speak your language*

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Polish

*Mówimy Twoim językiem*

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French

*Nous parlons votre langue*

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Spanish

*Hablamos su idioma*

---

Slovak

*Rozprávame Vaším jazykom*

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Chinese

我们会说你的语言

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## CONTROL SHEET FOR PROCUREMENT STRATEGY

<b>Policy Details</b>	<b>Comments / Confirmation (To be updated as the document progresses)</b>
Policy title	Procurement Strategy
Current status – i.e. first draft v2 250619	Final
Policy author (post title only)	Procurement Manager/Solicitor to the Council
Location of policy (whilst in development) – i.e. L-drive, shared drive	
Relevant Cabinet Member (if applicable)	Portfolio Holder Finance
Equality Impact Assessment approval date	10/11/2016
Partnership involvement (if applicable)	
Final policy approval route i.e. Joint Strategic Alliance Committee, Cabinet/Executive/Council	Executive
Date policy approved	
Date policy due for review (maximum 5 years)	December 2024
Date policy forwarded to Improvement (to include on Intranet and Internet if applicable to the public)	

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## **Bolsover District Council Procurement Strategy 2020-2025**

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## 1. Introduction

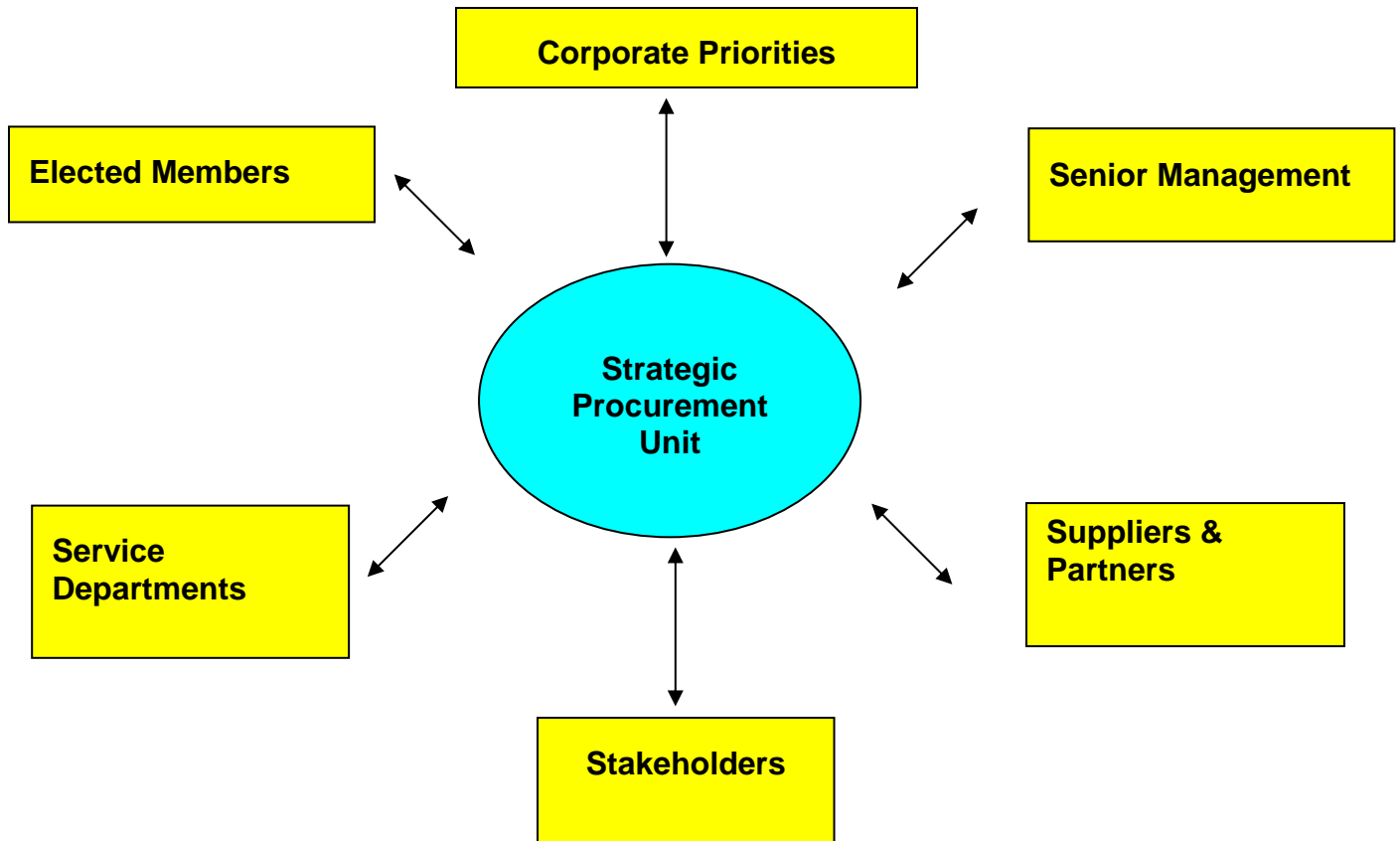
- 1.1. The local government procurement landscape is changing; this strategy document sets out Bolsover District Council's approach to Procurement within this changing environment.
- 1.2. Procurement is provided by an in-house team that was established in May 2018. The Procurement unit is shared with North East Derbyshire District Council as part of the strategic alliance arrangement. The unit also provides a service under a service level agreement to Gedling Borough Council. This collaboration allows benefits to be gained through economies of scale by procuring goods, works and services for more than one authority at the same time. The unit also provides a procurement service for parish councils and it is envisaged the team will expand to provide a service to other local authorities in the future.
- 1.3. This strategy outlines how procurement of goods, works and services is achieved and describes the Council's Contract Procurement Rules. Also called Contract Procedure Rules, these provide a corporate framework for the procurement of all goods, works and services to ensure that all procurement activity is conducted with openness, honesty and accountability. These rules have been established through legislation, case law and government guidance.
- 1.4. The strategy is to comply with the requirements of:
  - The Bribery Act (2010),
  - The Equalities Act (2010),
  - The Public Services (Social Value) Act (2012),
  - The Local Government Transparency Act (2015),
  - The Concession Contracts Regulations (2016),
  - The General Data Protection Regulations (GDPR) (2016) and Data Protection Act (2018),
  - The National Procurement Strategy (2018),
  - The Public Contract Regulations (2018).
- 1.5. The Procurement unit are responsible for ensuring that the principles of this strategy are adopted and to ensure its implementation within the Council's service departments. Elected Members are expected to use this strategy as a sense-check to review officer procurement decision making through the Executive and relevant committees. The strategy is a 'living' document that will be updated at regular intervals in accordance with Council policy or through statutory amendments.

## 2. What is Procurement?

- 2.1. Procurement is the acquisition of goods, works and services which meet the customers' and service users' needs, whilst ensuring value for money throughout the life of the product including disposal.

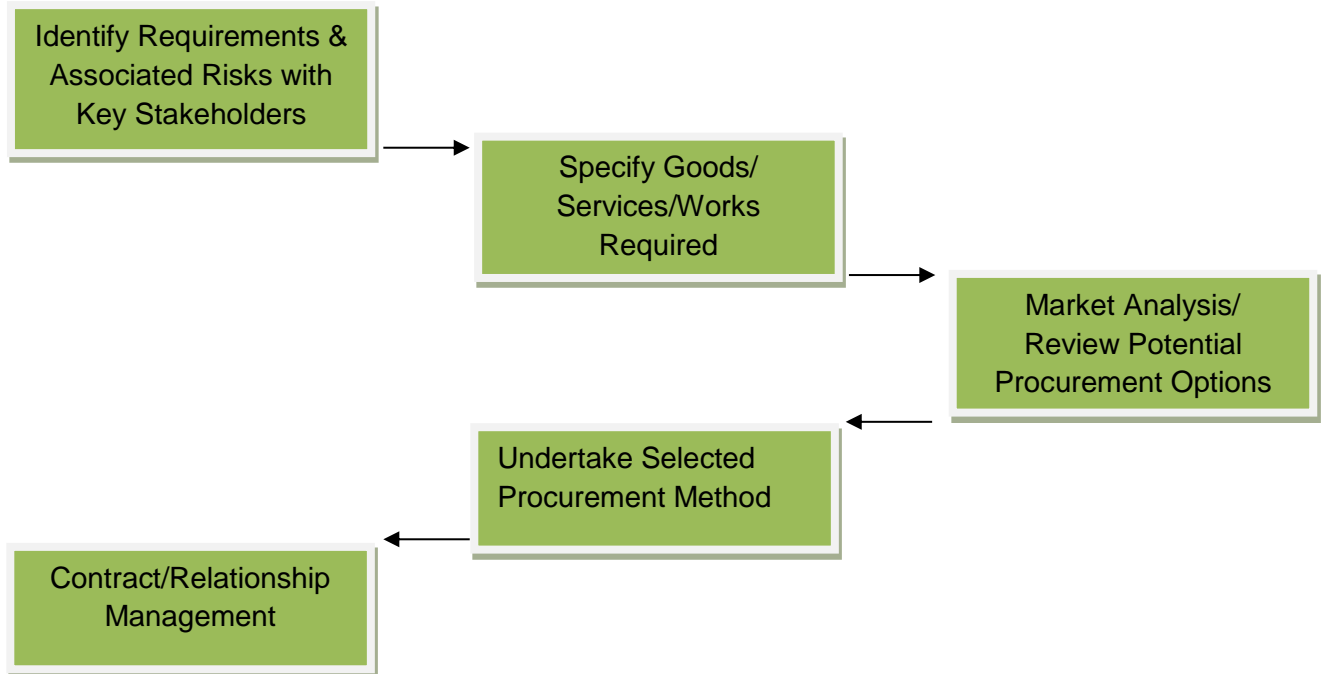
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- 2.2. Strategic procurement is a series of activities and processes that sits at the heart of the Council, providing the framework by which the Council obtains value for money in all of the goods, works and services that it procures. This can be illustrated by the following diagram, which shows the inter-relationship between the role of the procurement unit and the Council as a whole.



- 2.3. The aim of effective procurement is to achieve best value through planned and skillful procurement for goods, works and services sought by the Council; to support and encourage a vibrant local supplier market; remove barriers to trade for small to medium sized enterprises and voluntary bodies and give appropriate consideration to Social Value.
- 2.4. Council employees are required to comply with the Council's Constitution (Contract Procurement Rules are contained in part 4.8) as well as external laws and regulations and policy guidance, at all times. This applies to every procurement exercise regardless of contract value.
- 2.5. The Procurement unit and service department officers will ensure that established best practice is followed to achieve best value for the Council. The procurement process takes the following steps:

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## 3. Corporate Priorities

3.1. It is important to ensure that procurement decisions are legal, ethical and in accordance with the policies and procedures of the Council. Consideration should be given to the impact on the economic, social and environmental well-being of the district. Decisions should be achieved in a manner that is open, fair, transparent and auditable.

3.2. The Procurement Strategy supports the Council's Corporate Vision which is:

*'To enhance and improve the wealth profile, well-being and quality of life for the communities of Bolsover District'*

3.3. The procurement of goods, works and services aligns with the delivery of the Council's strategic plans, corporate priorities, objectives and statutory responsibilities by:

- Ensuring the procurement process reflects sustainability and environmental issues and is able to support and reflect the aim of protecting our environment for future generations,
- Ensuring procurement guidance is clear and simple and that relevant contracts are advertised and accessible to all,
- Providing feedback to bidders to support the development and overall competitiveness of Social Enterprises/Third Sector organisations,

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- Encouraging an effective local supplier market and the promotion of local social value in contracts (such as the creation of apprenticeships and local supply chains),
- Embracing the Council's commitment to Carbon reduction and emissions,
- Aiming to use the procurement process which provides a best value solution for the Council by supporting the delivery of value for money,
- Eliminating anything that does not add value to the procurement and working closely with partner organisations such as Derbyshire County Council, Sheffield City Region, Destination Chesterfield and other partnership groups to deliver savings and efficiencies through collaboration.

## 3.4. Corporate documents linked to this Strategy:

- Corporate Plan
- Service Plans
- Financial Regulations
- Contract Procedure Rules
- Safeguarding Policies
- Carbon Reduction plan
- Health and Safety
- Equalities
- Bribery and Corruption Strategy

## 3.5. This strategy supports the Council's Corporate Plan by engaging with all parts of our community including the public and voluntary sector organisations, businesses and our residents through:

- Exploring any existing framework opportunities to ensure best value for money and that they are still fit for purpose,
- Ensuring we understand the diverse needs of our communities,
- Improving the understanding of procurement and commissioning for both internal and external stakeholders,
- Monitoring and reporting compliance with procurement policies and procedures,
- Training and developing Managers and teams in effective procurement practice,



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- Undertaking “meet the buyer events” to engage with the local supply chain, thus encouraging how to do business with the Council.
- 3.6. Through an effective procurement process and specifications we will promote the safeguarding of our young and vulnerable residents by:
- Ensuring that arrangements are in place with contractors to safeguard children and vulnerable adults in accordance with legislation (existing contracts),
  - Ensuring that the Council's procurement process requires suppliers to comply with safeguarding requirements (new contracts).

## 4. Procurement Resource

- 4.1. Before establishing the Procurement Unit different options to provide the function were considered by the Council. It was concluded that an in-house Procurement unit would work best with the option to sell its expertise to others where possible, in the future.
- 4.2. The in-house Procurement unit provides procurement expertise for all aspects of procurement other than direct legal advice. The Council has access to fully qualified and experienced procurement professionals who are supported by a trainee within the team, thus ensuring succession planning. In addition to undertaking high value/high risk procurements, this resource also provides tailored training to departments of the Council involved in procuring goods, works and services. Full support is also provided through lead officer development of tender specifications and subsequent tender evaluation and award. The unit will maintain a contracts data base and forward plan.
- 4.3. On an ongoing basis the Procurement Unit aims to highlight new developments that may provide improvements to the Council's services. The unit will identify and report on a pre-planned annual schedule to the Councils as follows:
- The emergence of new and evolving relevant technologies which are further improving the services, i.e. Contracts Management module of the e-procurement system In-trend,
  - New or potential improvements to the services including the quality, responsiveness, procedures, benchmarking methods, performance mechanisms and customer support services in relation to the services,

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- New or potential improvements to the interfaces or integration of the services with other services provided by third parties of the Council which might result in efficiency or productivity gains or in reduction of operational risk,
  - Optional changes in ways of working that would enable the services to be delivered at lower costs and/or bring greater benefits to the Council,
  - Providing management information to the Council as required in relation to contracts and the review of contracts.
- 4.4. The Council's Executive Director of Resources – has strategic responsibility for co-ordinating procurement across the Council with the Assistant Director of Finance and Resources having operational responsibility for the service including:
- Assisting in the delivery of an efficient and effective procurement service to elected members and officers so that the Council achieves best value and value for money when undertaking procurement.
  - Supporting our shared service partner and liaising with all departments and service areas on the planning, development and delivery of procurement across the Council.
  - Scrutinising the contract management of the shared service arrangement in relation to officer compliance with the agreed procurement processes.

## 5. Governance and Responsibility

- 5.1. The Council's Contract Procurement Rules provide a corporate framework for the procurement of goods, works and services. The Rules are designed to ensure that all procurement is conducted with openness, probity and accountability. Above all, the Rules are designed to ensure both that the Council complies with the statutory framework and obtains value for money. This should include the required level of quality and performance from all contracts that are let. These rules have been established through legislation, case law and government guidance
- 5.2. The Council will ensure that the Rules continue to be relevant and are compliant with EU regulations as required. The Council will hold the highest principles of fairness, equity, transparency and openness within all procurement activity.
- 5.3. The Rules and associated policies are detailed in the Council's Constitution which is readily available on the Council's Intranet.
- 5.4. The Portfolio Holder for Finance & Resources has the Member responsibility for Procurement.

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- 5.5. The Procurement Unit provides training workshops for officers and Members annually with refresher courses also provided.
- 5.6. Procurement activity that falls under the Official Journal of the European Union (OJEU), must have official sign off. To begin the procurement process completion of a pro-forma is required to identify relevant budgets and give details of the request. The whole process including evaluation is endorsed and supported by the Procurement Unit and the Council's legal team.
- 5.7. All procurement must be policy compliant and consider responsibilities and requirements for:
- Safeguarding
  - Sustainability
  - Equalities
  - Social Value
  - Health and Safety
  - Data protection/GDPR
  - Modern Slavery
  - Bribery & Corruption
  - Carbon Reduction
  - Financial controls (credit safe checks)

The Procurement team undertakes full due diligence for all projects tendered.

- 5.8. Within the Council's Constitution Procurement Rules, there is a section called 'Contracting and Financial Guidelines.' This gives the procurement requirements for a quote, based on a financial threshold of the project as follows:

<b>Threshold</b>	<b>Requirement</b>
Up to £1,000	Oral or written quotation
£1,001 to £5,000	Written quotations must be obtained from three suppliers
£5,001 to £25,000	Three written quotations based on the Request for Quotation (RFQ)
£25,001 to £50,000	Either formal Request for Quotation (RFQ) or Invitation to Tender (ITT) dependent on nature of project
£50,001 to the EU threshold in force	Formal tender by Invitation to Tender (ITT)
Above the EU threshold	Formal tender complying with the relevant procurement regulations.

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As at 1<sup>st</sup> January 2019 the EU thresholds in force are as follows:-  
Supply services and design contracts £181,302  
Works contracts £4,551,413

These figures are net of VAT.

- 5.9. When contract costs are estimated above the EU thresholds the procurement process can take approximately 9 - 12 months dependent upon the nature and/or service being procured. It will be necessary to produce a formal timetable (Procurement Team will advise) incorporating the approval process and allowing time for the presentation of reports to Executive.
- 5.10. Where contract costs fall below the EU thresholds and formal tender for goods and service are sought, the time to go through the process can range between 2 to 4 months or maybe longer dependent on the nature and complexity. When giving consideration to a timetable, preparing documentation and running the tender process, determining when the meeting approval process is planned for the relevant Executive is vital. Consideration should therefore always be given to affording sufficient time in your procurement timetable and building in the formal decision making meeting.

## 6. E-Procurement

- 6.1. E-procurement is making purchases electronically. Purchase orders should be placed on the financial management system as soon as practically possible. The benefits of e-procurement include:
- It helps prevent overspending by checking funds are available to spend automatically before orders are placed,
  - It provides a framework to ease the ordering of goods, works and services whilst maintaining compliance with legislation,
  - It allows the Council to work collaboratively to achieve economies of scale.
- 6.2. The Government in conjunction with the Local Government Association set out a strategic procurement document titled the National Procurement Strategy 2014. This sets out a plan of what Procurement outcomes and milestones are necessary at each level of the Local Government hierarchy, i.e. Unitary, County, District. This places certain responsibilities on all Councils.
- 6.3. The Procurement Strategy and arrangements are available to suppliers on the Council's website and as a resource for employees on the Council's internal intranet.
- 6.4. To support the delivery of this strategy the Council will invite tenders using the In-tend system, this is e-tendering. This will ensure all opportunities are advertised in

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one place for complete transparency. Links will also be made available via the Source Derbyshire system and Contracts Finder.

## 7. Sustainable Procurement

- 7.1. The Council is committed to ensuring that services are delivered in a way that protects the quality of the environment and minimises any adverse impact on community well-being. The Council recognises that procurement can be integral in delivering more sustainable outcomes for the District. To achieve this, it is necessary to ensure that environmental and broader sustainability considerations are taken into account throughout the procurement process, where practicable.
- 7.2. The Council will require operators of (significant) contracts to adopt whole life-cycle thinking in the delivery of any services on the Council's behalf. Where relevant, examples may include the purchase and use of vehicles, equipment, energy, water and chemicals.
- 7.3. The Council is a key stakeholder in leading the local community in minimising environmental impact. Green procurement will encourage local operators and suppliers to consider critical issues such as manufacturing processes, materials used, transportation, and waste management in operating and delivering sustainable services.
- 7.4. Sustainable procurement is the process of acquiring goods, works and services from a supplier that provides the optimum combination of whole life costs and benefits to meet the customer's requirement. In order to achieve this, the Council will:
  - Account for environmental aspects of a product alongside societal and economic aspects in the tendering process, and deliver appropriate training for staff responsible for purchasing, ensuring access to environmental information.
  - Adopt a life-cycle thinking approach to avoid shifting environmental impact. Products with Eco-labels should be purchased wherever possible.
  - Comply with identified energy efficiency standards for the procurement of goods.
  - Encourage an ethic of reduce, reuse, recycle amongst purchasing staff.
  - Ensure new vehicles supplied for the Council's services have the lowest emissions standard possible whilst remaining fit for purpose.
  - Commit to reduce its Carbon footprint and adopt processes to do so including completion of carbon reduction questionnaires for the evaluation process by suppliers.

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7.5. We will encourage a diverse and competitive supply market by ensuring that local businesses are given an equal opportunity to participate in competition for Council business, whilst still maintaining a competitive supply market by:

- Encouraging local businesses to register with the In-tend e-procurement system, and providing support to suppliers, signposting suppliers to the Source East Midlands portal and Contracts Finder.
- Providing clear advice and guidance to local businesses about how to bid for the Councils' work.
- Measuring the employment of local labour by the Council's successful contractors.
- Measuring the provision of apprenticeship opportunities and take-up by successful contractors.
- Ensuring contracts are structured so as not to prejudice local businesses.
- Exploring how to better engage with ethnic, disabled and other minority group suppliers.
- Promoting the Council's Equality Policy for service delivery.

## 8. Partnering and Collaboration

8.1. The Council acknowledges the importance of partnerships in delivering services. It already benefits from partnerships with other local authorities, parish councils and other government bodies.

8.2. Partnering in the context of the Council's procurement is defined as the creation of sustainable, collaborative relationships with suppliers to deliver services, carry out projects and acquire goods.

8.3. Collaboration is defined as the process of working with other local authorities, organisations, or agencies to combine buying power and leverage based on higher or aggregated levels of spend, to gain more favourable pricing and terms from suppliers when procuring goods, works or services.

8.4. The Council welcomes partnership opportunities such as those which share or support the corporate priorities for the community.

Therefore the Council will:

- Include partnership options when undertaking service reviews and other appraisals.

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- Through the Procurement service and in collaboration with neighbouring authorities participate in sub regional and local procurement programmes.
- Where appropriate, consider alternatives to public sector first procurement options for the management of contracts as well as provision of goods, works and services.
- Support the voluntary sector to engage with the Council and explore the potential for partnerships with local voluntary sector agencies interested in the provision of services for local people.
- Explore partnering opportunities with other organisations for significant construction projects.

## 9. Conducting Procurement Activity and Resources Social Value

- 9.1. The Public Services (Social Value) Act 2012 requires service related procurements over the EU threshold to consider social value. The Act requires considerations to be proportionate and relevant to the particular requirement. Therefore where appropriate, the Council will use the full procurement cycle to consider how to improve the economic, social and environmental well-being of the Council.
- 9.2. Considerations will be built in to the procurement process as appropriate including adapting evaluation criteria or a requirement for contractors to support an apprenticeship scheme.
- 9.3. In complying with the statutory equality duties under S149 of the Equality Act 2010, the Council will take equalities factors into consideration in decision-making. The business case will address equalities issues to identify whether there is scope to improve the economic and social impacts of the proposed contract. To help us achieve this, the Council requires officers of the Councils to:
  - when appropriate, undertake a (proportionate) Equality Impact Assessment when planning a procurement and consider equalities issues as well as economic and sustainability issues within the business case for projects,
  - make provision within the tender specification (where appropriate) to include equality related award criteria or specific equalities outcomes to reflect the needs of different services users.
- 9.4. Procurement processes and documentation will reflect the Council's Equality and Diversity Policy for Service Delivery.

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- 9.5. The Council will work with partners and suppliers to ensure that suppliers are, as a minimum, compliant with the relevant legislation, both at the inception of contracts and through their effective life.
- 9.6. Guidance regarding Equality and Diversity is provided for all existing or potential new suppliers to the Council.
- 9.7. All services commissioned by the Council must operate within the requirements of the Council's safeguarding policies. Where relevant, contractors will need to demonstrate that they meet these requirements.
- 9.8. Procurement activity will be treated proportionately to the health and safety risks which arise from the contract. Potential risks will be assessed and contractors must provide evidence to demonstrate that their organisation actively promotes and manages health and safety. This evidence will include a contractor's track record of health and safety performance.
- 9.9. Any procurement decision will aim to remove or minimise harm to the environment to the lowest possible level, and to promote conservation of natural resources.
- 9.10. Forward Planning, particularly of major expenditure, is essential to maximise the potential savings through efficient and effective procurement.
  - Forward planning and timely reviews will be a key focus within the procurement process, particularly within contract management, identification of need and analysis of the requirement considerations.
  - Wherever possible specifications will be output based with robust performance measures. Output based specifications will allow greater flexibility of design and support innovation and creativity throughout the supply chain.
- 9.11. Planning and reviewing annual procurement activity, linked with robust monitoring and reporting with the procurement unit, will enable the Council to become a more efficient buyer of goods, works and services.
- 9.12. Effective procurement is measured by the outcomes and not by the completion of the process.
  - Contracts will be managed throughout their life to ensure that the benefits identified in any business case are delivered. Planned review meetings with incumbent suppliers will ensure that Key Performance Indicators (KPIs) are set and Service Level Agreements (SLA) are achieved and maintained – where possible exceeded.



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- The Council will proactively build on areas of success and identified areas of best practice.
- Risk registers shall be prepared for all major procurement processes and will be revisited at key milestones in the procurement process and throughout the life of the contract.
- When suppliers and contractors handle information on behalf of the Council, we will ensure that established internal Council standards are met or seek to influence our supplier's and contractor's standards to a mutually acceptable level.

9.13. The Council will expect contractors to have appropriate information/data handling policies/procedures in place to handle confidential and commercially sensitive information, including personal and sensitive data. This is to ensure compliance with the Data Protection Act (2018) and work within Public Service Network (PSN) requirements.

9.14. The Council will ensure that all relevant contracts include provisions relating to the ownership and control of any Intellectual Property created for, during and at the end of a contract.

9.15. The Council is a relevant authority for the purpose of the Freedom of Information Act 2000 and the Environmental Information Regulations 2004. The Council will expect that contractors will support and assist the Council in discharging obligations in responding to requests for information.

9.16. The Council will preserve the highest standards of honesty, integrity, impartiality and objectivity and shall comply with the Council's Codes of Conduct and Rules at all times.

9.17. In awarding contracts the Council will generally evaluate offers received on the basis of either the lowest or the most economically advantageous tender; (MEAT), and within this where appropriate, will take into account a balance between cost and quality.

9.18. In any procurement the Council will ensure that the approach to the market is consistent with these principles.

9.19. The Procurement Unit will ensure that all relevant Council policies and procedures are complied with in any procurement publicity or process.

9.20. Fraud, Bribery and Corruption will not be tolerated and will be dealt with robustly by the Council. This includes compliance with related Acts and the Council's policies including the Whistleblowing Policy.

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## 10. Performance Measures and Targets

10.1. Procurement activity, like all other Council activities, should be undertaken in a performance management environment. Procurement influences the attainment of some national performance indicators.

10.2. Projects are monitored through the Council's performance management arrangements. Significant projects and exemptions are monitored separately and reported to Elected Members.

10.3. The procurement unit delivery performance will be measured by:

- Professionally qualified procurement full time equivalents (FTE's) maintained as a % of total procurement FTE's in the team.
- Percentage of publicised invitations to tender (ITT) within 2 working days from receipt of specification sign-off from lead officers.
- Percentage of ITT processed and returned within two working days from submission deadline to lead officer for evaluation.
- Percentage of contract award notifications sent out within 2 working days from confirmation of tender acceptance from lead officer.
- Percentage of officers satisfied with Procurement service, (to be identified through satisfaction survey results).
- Audit measure of Procurement at least 'reasonable' level.

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## Appendix A

### STRATEGY ACTION PLAN

Action	Lead Officer(s)	Target Date	Expected Outcome	Resources	Progress Update	Actual Outturn
Staff development/training for those regularly procuring contracts.	Executive Director – Resources, Assistant Director of Finance and Resources and Procurement Unit.	Annual training session	That appropriate staff have the relevant knowledge and understanding to effectively undertake the procurement function. This should include procurement and legal staff and staff commissioning the services, works or goods. This will include equalities issues.			
Staff development/training for those who do not regularly procure contracts.	Executive Director – Resources, Assistant Director of Finance and Resources and Procurement Unit.		That appropriate staff have the relevant knowledge and understanding to effectively undertake the procurement function when required to do so and with knowledge of where to seek assistance. This will include equalities issues.			
Staff development/training on contract management.	Executive Director – Resources, Assistant Director of Finance and		That staff who are not used to managing a contractual relationship are given some guidelines.			

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	Resources and Procurement Unit.					
Develop electronic and other opportunities to promote how to do business with the Council e.g. Contracts Finder and Source Derbyshire	Executive Director – Resources, Assistant Director of Finance and Resources and Procurement Unit.		An Increased awareness amongst local business of how to tender for Council business.			
Ensure that procurement results in Value for money	Executive Director – Resources, Assistant Director of Finance and Resources and Procurement Unit.					
Strive for sustainability	Executive Director – Resources, Assistant Director of Finance and Resources and Procurement Unit.		Contracts resulting from reasoned evaluation of environmental factors such as materials, packaging and transportation			
Introduce a monitoring mechanism to establish how well the Council are using their procurement opportunities to advance their corporate aims. Annual review of Procurement outcomes.	Executive Director – Resources, Assistant Director of Finance and Resources and Procurement Unit.					
Ensure the Transparency Agenda is complied with by publishing upcoming contracts.	Executive Director – Resources, Assistant Director of Finance and Resources and Procurement Unit.					

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Review the equalities guidance given to prospective or existing contractors.	Executive Director – Resources, Assistant Director of Finance and Resources and Procurement Unit.					
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## Appendix B

The Rules – these are contained in the Council Constitution.

Links are:-

Bolsover – <http://www.bolsover.gov.uk/your-council/constitution>

## Appendix C

### Glossary of Document Terms and Acronyms

**Best Value:** Often defined as ‘value for money’, Best Value is the optimum combination of whole life costs and quality to meet the customer’s requirement.

**BME:** Black and Minority Ethnic.

**Collaboration:** In this context, public sector organisations that engage in a joint procurement for works, services or supplies with the intention of obtaining better value for money through economies of scale and reduced tendering costs.

**Commissioning:** Commissioning is the process of specifying, securing and monitoring services to meet people’s needs at a strategic level. (Source – Audit Commission)

**Competitive Tendering:** Awarding contracts following a process of obtaining competing tenders.

**Contract:** A binding agreement between two or more parties that is enforceable in law.

**Contract Management:** The activities of a buyer before, during and after a contract period to ensure that all parties to the contract fulfil their contractual obligations.

**The Rules:** Rules for procurement and award of contracts for goods and services which ensure open and transparent competition and protect the Council from any undue risk of challenges of anti-competitive behaviour. These are contained in the Council’s Constitution and are called Procurement Rules. In this Strategy they are referred to as the Rules.

**E-Procurement:** is the ability to publicise/purchase/sell through electronic trading via the Internet.

**Evaluation:** A detailed assessment and comparison of offers made by the Council in accordance with published criteria of responses to a request for quotations or tenders.

**Framework Agreement:** A framework agreement is a general term for agreements with suppliers which sets out terms and conditions under which specific purchases (call-offs) can be made throughout the term of the agreement.

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**Invitation to Tender (ITT):** A formal document inviting an organisation to tender to provide services or, supply goods to or carry out works for the Council. It will include the instructions for submitting a tender, the specification for the requirement, the criteria against which the tender will be assessed, the proposed terms and conditions for the contract and, sometimes, a business questionnaire.

**Key Performance Indicator (KPI):** KPIs are placed against certain elements of a contract or SLA and indicate the items that are to be measured to see if the contractor has achieved the required contract standard.

**Method Statement:** A document used in the invitation to quote or to tender which sets out specific questions for the bidder to answer to explain to the Council how a service is to be delivered/works to be carried out. It will be evaluated and form a part of the contract.

**Official Journal of the European Union (OJEU):** The on-line publication in which notices advertising a Council tender that fall within the EU thresholds must be placed at the start and end of all the procurement.

**Procurement:** Often used interchangeably with **Purchasing**. Procurement is the totality of acquisition starting from the identification of a requirement to the disposal of that requirement at the end of its life. It therefore includes pre-contract activities e.g. sourcing and post contract activities e.g. contract management, supplier relationship management activities. Procurement generally relates to goods, works and service(s) requirements.

**Public Procurement Directives:** The EU procurement Directives set out the legal framework for public procurement. They apply when public authorities and utilities seek to acquire goods, services, and works. They set out procedures which must be followed before awarding a contract when its value exceeds set thresholds.

**Quotation:** An offer by a supplier to supply goods or services or to carry out works requested either orally or in writing.

**Regulations:** The Public Contracts Regulations 2015 that implement the various EU Procurement Directives

**Risk Management:** Involves three key activities, risk analysis, risk assessment, and risk mitigation, all of which facilitate the taking of decisions and actions to control risk appropriately by providing a disciplined and objective approach. (Source: [www.cips.org](http://www.cips.org) Knowledge Summary on risk management)

**RFQ:** Request for Quotation.

**SME:** In this context Small and Medium Enterprises (businesses).

**Specification/Statement of Requirements:** A description of the requirements for the service or of the service to be provided.

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**Target Operating Model (TOM):** is a description of the desired state of the operating model of an organisation. A philosophy accepted as a way of working and operating\delivering services.

**Tender:** The offer submitted by the tenderer in response to the Invitation to Tender.