

# Procurement Plan 2023- 2028

## Introduction

Public Sector procurement has experienced a number of changes and challenges in recent years notably the transition from an EU to UK regulatory regime, the Covid-19 pandemic and impact on global supply chains. Procurement processes are increasingly used to support innovation, drive competitive advantage and promote strategic objectives. In addition, there is the constant challenges of reducing spend due to financial pressures and tight budgetary controls, whilst ensuring social values, ethical risks and sustainability goals are achieved.

The Procurement Plan sets out the Council's ambitions in its approach to procurement. The plan outlines the aims and objectives of procurement, the continued importance of achieving value for money and legal compliance, as well as how procurement can support the delivery of the Council's Corporate Plan.

## The Strategic Objectives

The strategic objectives of the Procurement Plan are to;

1. Support the delivery of the Corporate Plan
2. Compliance with regulations

With reference to objective 1, it is important the Procurement Plan should support the council's ambitions as set out in the Corporate Plan.

- Positive community leadership
- A thriving environment
- A vibrant economy
- Quality homes and infrastructure

There are also the commitments within the Corporate Plan towards sustainable recovery, protecting local distinctiveness, Greener Folkestone, transparent, stable, accountable and accessible, working effectively with partners and continuous improvement.

From a procurement perspective the following are common themes that feature throughout the Corporate Plan. These are developed further within the Action Plan.

- Continuous learning and development of the Procurement Team.
- Taking a broader view of 'value or money' that incorporates social value and carbon reduction goals within procurement activities.
- Improving resilience in the supply chains through better risk management and strengthening cyber security within the procurement process
- Increasing local suppliers and SME participation.

With reference to objective 2, is compliance with Public Contract Regulation 2015 (and any successor legislation expected in 2023), Contract Standing Orders and the Social Value Act 2012.

## Implementation

The implementation of the plan will focus on the following eight actions;

1. **Promote and maximise value for money** – Achieving value for money has always been a key procurement objective. The new plan widens this concept to include the promotion of SMEs, sustainability and social value generally.
2. **Improved efficiency** – This action looks at the efficiency of the procurement process including reviewing the use of waivers, the best use of early market engagement and procurement project planning. Importantly, work with the ICT team to build and adapt cyber security within our procurement process
3. **Compliance with all relevant public sector procurement regulations** - The council's procurement process is governed by the UK regulations and the Council's Contract Standing Orders (CSOs). The council is accountable for demonstrating compliance with all relevant regulations and Procurement Team will be required to play the key role of ensuring alignment of all purchasing activities with regulatory requirements.
4. **Stakeholder Engagement & Involvement** – This action is about strengthening internal stakeholder relationships and involving external stakeholders like housing tenants in procurement at specification or evaluations stages where appropriate.
5. **Local suppliers and SME participation** - The new plan includes a range of actions designed to make it easier for local suppliers to bid for council contracts. The aim of this is to increase the level of localised spend to support local enterprises.
6. **Collaboration** – To achieve economies of scale by working with other local authorities.
7. **Learning & Development** – Procurement is constantly adapting and changing to new regulations, case law and public policy objectives (e.g. net carbon zero). It is important that the procurement team maintain a high-level of knowledge and proficiency through professional examinations, training and professional development.
8. **Carbon Reduction** - Environmental sustainability within the Council's procurement processes can make an important contribution addressing climate

change and achieving Net Zero. The types and levels of carbon emissions to consider are;

- Scope 1 - direct emissions, such as onsite energy use
- Scope 2 - indirect emissions, emissions created during the production of the energy and eventually used by the organisation
- Scope 3 - all the emissions associated, not with the company itself, but that the organisation is indirectly responsible for, up and down its value chain. Scope 3 footprint is much larger than the operational footprint

## Procurement Plan Action Plan

The plans below sets out the actions to delivery of Procurement Plan.

	Objective	Action Plan	2023-2028 Target
1	<b>Promote and maximise value for money</b>	<ul style="list-style-type: none"> <li>➤ Engage with suppliers to raise awareness of environmental and sustainability requirements which need to be factored into future contracts</li> <li>➤ Seek to promote social value through initiatives by encouraging suppliers to consider the use of local apprentices or local SME's where applicable (e.g. subcontracting &amp; supply chain) to encourage growth within the local community</li> <li>➤ Explore opportunities for joint procurement</li> <li>➤ Review waiver requests with the aim to reduce the number of waivers</li> </ul>	Ongoing with quarterly review
2	<b>Improved efficiency</b>	<ul style="list-style-type: none"> <li>➤ Ensure procurement activities are well planned and requirements specified</li> <li>➤ Engage in early market engagement (e.g., soft market testing) to improve awareness of local and wider markets</li> <li>➤ Analyse and consider strategic advantages and disadvantages, i.e., insource or outsource options on major/high value projects</li> <li>➤ Identifying, assessing and managing risks.</li> <li>➤ Work with the ICT team in order to adopt and implement cybersecurity consideration in every phase of procurement</li> </ul>	Ongoing with quarterly review
3	<b>Compliance with all relevant public sector procurement regulations</b>	<ul style="list-style-type: none"> <li>➤ Ensure all procurement documentation and internal policies reflect relevant procurement regulations</li> <li>➤ Ensure that changes to regulatory and financial threshold are appropriately updated in the CSO and implement within our procurement processes</li> <li>➤ Collaborate with Legal Services to ensure compliance of legislation and sharing of best practice</li> <li>➤ Ensure compliance and risk mitigation are adequately communicated and monitored</li> <li>➤ Encourage open and fair competition</li> </ul>	<p>Ongoing with periodic review dependent on legislative changes.</p> <p>New Procurement Act expected late 2023.</p>

		<ul style="list-style-type: none"> <li>➤ All procurement appropriately tendered and in line with CSO and national regulations</li> <li>➤ Identifying and mitigating risks of breach to avoid unnecessary challenges</li> </ul>	
4	<b>Stakeholder Engagement &amp; Involvement</b>	<ul style="list-style-type: none"> <li>➤ Strengthen relationships with internal stakeholders to ensure procurement practices are understood and fit for purpose</li> <li>➤ Provide consistent approach across all functions</li> <li>➤ Work with internal stakeholders to determine the required procurement process</li> <li>➤ Promote tenant engagement in key Housing procurements</li> </ul>	Ongoing
5	<b>Local suppliers and SME participation</b>	<ul style="list-style-type: none"> <li>➤ Provide adequate information on processes and accessibility to procurement opportunities on FHDC webpage</li> <li>➤ Advertise procurement opportunities on the Kent Business Portal</li> <li>➤ Simplified documentation where possible, thus allowing flexibility in our process for SME</li> <li>➤ Publish guidance on how to do business with the council on our website</li> <li>➤ Ensure opportunities are available to local businesses in order to maximise Social, Economic &amp; Environmental benefits in line with the Social Value Act (2012)</li> <li>➤ Promote local suppliers through reserving some of three quote activities for local suppliers only</li> <li>➤ Breaking large procurements into lots to allow SMEs to compete for applicable lot(s) within the contracts and provide opportunity for SME to win some aspect of prime contracts</li> <li>➤ Encourage suppliers to register on the Kent Business Portal</li> <li>➤ Attend 'Meet the Buyer' events or if the opportunity permits, arrange joint events with the other Kent councils</li> <li>➤ Support our suppliers to improve their cyber security, sustainability and resilience.</li> </ul>	Ongoing with quarterly review
6	<b>Collaboration</b>	<ul style="list-style-type: none"> <li>➤ Maximise benefits of joint contracts with key local authorities, i.e. better value through economies of scale and improved innovation</li> </ul>	Ongoing

		<ul style="list-style-type: none"> <li>➤ Improve relationships with other East Kent local authorities and the other local authorities in Kent e.g., KCC to identify projects with the potential to improve service deliver and reduce cost through collaboration</li> </ul>	
7	<b>Learning &amp; Development</b>	<ul style="list-style-type: none"> <li>➤ Encourage and embed training and development within the procurement team to ensure internal procurement competency and clear delivery of procurement solutions</li> <li>➤ Encourage commitment to training in order to maintain, develop skills and knowledge within the team</li> <li>➤ Promote contract management through the introduction of Contract Management Standards</li> <li>➤ Respond and incorporate changes to procurement legislation expected in 2023 following the Transforming Public Procurement Green Paper.</li> </ul>	<p>Ongoing with quarterly review - training to provided be as required</p> <p>Late 2023 /early 2024</p>
8	<b>Carbon Reduction</b>	<ul style="list-style-type: none"> <li>➤ Include as a standard contract term that successful bidders must provide Scope 1 and Scope 2 carbon emissions information</li> <li>➤ Include Carbon Reduction questions and scoring mechanism within the Selection Questionnaire for tenders</li> <li>➤ Develop carbon efficiency measures and specific emission scope(s) for contract specifications</li> <li>➤ Explore how the council can support local suppliers with achieving carbon reduction</li> <li>➤ Work with Strategy, Policy &amp; Performance Team to ensure the carbon reduction criteria are adequately covered within specifications</li> <li>➤ Develop and implement incentivised KPIs and carbon targets</li> <li>➤ Seek where appropriate to incorporate carbon reduction requirements into new tender contracts, i.e. electric vehicles (EVs)</li> <li>➤ Emphasise on local spend, to reduce carbon footprint from long-distance transportation of goods, and to develop local economies</li> </ul>	<p>October 2022</p> <p>Ongoing with periodic reviews</p>