

**ARMAGH CITY, BANBRIDGE AND CRAIGAVON BOROUGH COUNCIL**

<b>Document Reference Number:</b>	<b>FRC/P13.0/V1.0</b>
<b>Title of Policy:</b>	<b>Procurement Policy</b>
<b>No of Pages (including appendices):</b>	<b>16</b>
<b>Version:</b>	<b>V 1.0</b>
<b>Issue Date:</b>	<b>19<sup>th</sup> February 2015</b>
<b>Policy Nominated Officer:</b>	<b>Graham Coulter – Head of Finance and ICT</b>
<b>Equality screened by:</b>	<b>Graham Coulter – Head of Finance and ICT</b>
<b>Equality screening date:</b>	<b>February 2015</b>
<b>Amendment Version Issue Date:</b>	
<b>Sent out by:</b>	
<b>Approved by:</b>	<b>Roger Wilson</b>
<b>Review Date:</b>	

**AMENDMENT RECORD SHEET**

Remove and destroy old pages. Insert new pages as indicated.

<b>Revision Number</b>	<b>Page Number</b>	<b>Date Revised</b>	<b>Description of Revision</b>

# **Procurement Policy**

## **2015**

## Contents

Paragraph	Subject	Page
1	What do we mean by Procurement	3
2	Objectives	3
3	Supplementary objectives	3
4	Council Policy	3
5	The aims of the policy	4
6	Placing the Policy within the context of Public Procurement Policy in Northern Ireland	4
7	Benefits of adopting the Procurement Policy	5

## 1. What do we mean by Procurement?

“Procurement” is the process of acquiring goods, works and services, covering both acquisitions from third parties and from in-house providers. The process spans the whole cycle from the identification of needs, through to the end of the useful life of an asset. It involves options appraisal and the critical “make or buy” decision which may result in the provision of services in-house in appropriate circumstances.

In the context of a procurement process, obtaining “best value for money” means choosing the bid that offers “the optimum combination of whole life costs and benefits to meet the customers’ requirement”. This is not the lowest initial price option and requires assessing the ongoing revenue/resource costs as well as initial capital investment. It should include social, environmental and other strategic objectives and is defined at the earliest stages of the procurement cycle. The criterion of best value for money is used at the award stage to select the bid that meets the requirement.’ (National Procurement Strategy for Local Government ODPM October 2003)

## 2. Objectives

**The main** objective of this procurement policy is to obtain best value for money spent on goods and services having due regard to the needs of the organisation/service ie, to procure:

- the **right quality** of goods and services
- in the **right quantity**
- at the **right time**
- in the **right place**
- from the **right supplier**
- at the **right price**

## 3. Supplementary objectives should ensure that:

- a) Procurement Procedures and Public Procurement Regulations 2006 are implemented.
- b) Cost control of the organisation is improved
- c) The operational efficiency and effectiveness of the purchasing system is improved and enhanced.
- d) The Council is committed to sustainable development and integrating sustainability into its procurement practices.

## 4. Council Policy

Armagh City, Banbridge and Craigavon Borough Council is committed to:-

- Providing Value For Money to the ratepayers and customers of the Council
- Promoting Best Practice in procurement
- Promoting Equality in procurement
- Promoting Collaboration in procurement
- Promoting Sustainability in procurement
- Promoting Accountability and Good Governance.
- Promoting Access to Council contracts for local suppliers.

## 5. The Aims of the Policy

- Promote best practice procurement within the Council
- Establish and maintain relationships with other Councils and Procurement bodies throughout UK and Ireland
- Develop a sustainable Procurement Policy taking into account sustainable procurement guidelines
- Promote the integration of equality considerations into procurement in compliance with the guidance issued by the Equality Commission for Northern Ireland and the Central Procurement Directorate
- Promote collaborative procurement where this could lead to improved value for money
- The Council shall have cognisance of the environmental impact of all of its activities and shall endeavour to purchase goods and services which will have the minimum detrimental effect or potential to pollute
- To better co-ordinate corporate purchasing and procurement activity
- To improve value for money in local government purchasing and procurement activities
- To ensure effective procurement is at the heart of decision making and service planning
- To open up procurement opportunities for potential local suppliers and contractors

## 6. Placing the Policy within the context of Public Procurement Policy in Northern Ireland

All procurement must seek to accommodate the core values of the local government and be administered to ensure adherence to relevant UK and EU legislation and ultimately provide best value for money.

The following principles provide a good strategic framework under which procurement should be delivered.

The principles are summarised as follows:

- **Accountability:** Effective mechanisms must be in place in order to enable Accounting Officers and Auditors to discharge their personal responsibility on issues of Procurement risk and expenditure.
- **Competitive Supply:** Procurement should be carried out by competition unless there are convincing reasons to the contrary.
- **Consistency:** Suppliers should, all other things being equal, be able to expect the same general Procurement policy across the Public sector.
- **Effectiveness:** The Council should meet the commercial, regulatory and socio-economic goals of government in a balanced manner appropriate to the procurement requirement.

- **Efficiency:** Procurement processes should be carried out as cost effectively as possible.
- **Fair-dealing:** Suppliers should be treated fairly and without unfair discrimination, including protection of commercial confidentiality where required. Public bodies should not impose unnecessary burdens or constraints on potential suppliers.
- **Integrity** There should be no corruption or collusion with suppliers or others.
- **Informed Decision-Making:** The Council need to base decisions on accurate information and to monitor requirements to ensure that they are being met.
- **Legality** The Council must conform to European Community and other legal requirements.
- **Responsiveness** The Council should endeavour to meet the aspirations, expectations and needs of the community served by the procurement.
- **Transparency** The Council should ensure that there is openness and clarity on procurement policy and its delivery.

## 7. Benefits of Adopting the Procurement Policy

The principle benefits of adopting the approach set out in the Procurement Policy are:

- Savings realised through more efficient procurement that can be channelled into frontline services
- Achievement of economies and efficiencies and improvement in effectiveness through procurement so that continuous improvement can be made
- To ensure Compliance with the Public Procurement Regulations 2006 and other relevant procurement legislation to reduce the likelihood of challenge
- Implementation of good practice in procurement to reduce the likelihood of time and cost overruns and contract failure
- To ensure that the Council gives due environmental consideration as a key element with the procurement of goods and services. To conform with BS EN ISO 14001:2004 Environment Management Systems.

## Policy Screening Form

### Policy Scoping

**Policy Title: Procurement Policy**

**Brief Description of Policy (please attach copy if available). Please state if it is a new, existing or amended policy.**

The Procurement Policy defines “Procurement” as the process of acquiring goods, works and services, covering both acquisitions from third parties and from in-house providers. The process spans the whole cycle from the identification of needs, through to the end of the useful life of an asset. It involves options appraisal and the critical “make or buy” decision which may result in the provision of services in-house in appropriate circumstances.

In the context of a procurement process, obtaining “best value for money” means choosing the bid that offers “the optimum combination of whole life costs and benefits to meet the customers’ requirement.” This is not the lowest initial price option and requires assessing the ongoing revenue/resource costs as well as initial capital investment. It should include social, environmental and other strategic objectives and is defined at the earliest stages of the procurement cycle. The criterion of best value for money is used at the award stage to select the bid that meets the requirement.’ (National Procurement Strategy for Local Government ODPM October 2003)

**Intended aims/outcomes. What is the policy trying to achieve?**

The main objective of the procurement policy is to obtain best value for money spent on goods and services having due regard to the needs of the organisation/service ie, to procure:

- The right quality of goods and services
- In the right quantity
- At the right time
- In the right place

- From the right supplier
- At the right price

Supplementary objectives should ensure that:

- (a) Procurement Procedures and Public Procurement Regulations 2006 are implemented.
- (b) Cost control of the organisation is improved
- (c) The operational efficiency and effectiveness of the purchasing system is improved and enhanced.
- (d) The Council is committed to sustainable development and integrating sustainability into its procurement process.

The aims of the Policy include

- Promote best practice procurement within the Council
- Establish and maintain relationships with other Councils and Procurement bodies throughout UK and Ireland
- Develop a sustainable Procurement Policy taking into account sustainable procurement guidelines
- Promote the integration of equality considerations into procurement in compliance with the guidance issued by the Equality Commission for Northern Ireland and the Central Procurement Directorate.
- Promote collaborative procurement where this could lead to improved value for money
- The Council shall have cognisance of the environmental impact of all its activities and shall endeavour to purchase goods and services which will have the minimum detrimental effect or potential to pollute.
- To better co-ordinate corporate purchasing and procurement activity
- To improve value for money in local government purchasing and procurement activities
- To ensure effective procurement is at the heart of decision making and service planning
- To open up procurement opportunities for potential local suppliers and contractors.

## **Policy Framework**

Has the policy been developed in response to statutory requirements, legal advice or on the basis of any other professional advice? Does this affect the discretion available to Council to amend the policy?

The policy has been developed to ensure compliance with the public procurement regulations 2006 and other relevant procurement legislation to reduce the likelihood of challenge.



**Are there any Section 75 categories which might be expected to benefit from the policy? If so, please outline.**

Procurement exercises conducted within the legacy Councils have not revealed any adverse impacts on individual equality categories. However, there is a commitment within the policy to promote equality of opportunity within all procurement exercises.

**Who initiated or wrote the policy (if Council decision, please state). Who is responsible for implementing the policy?**

<b>Who initiated or wrote policy?</b>	<b>Who is responsible for implementation?</b>
Head of Finance and ICT	The Council is responsible for implementation

**Are there any factors which might contribute to or detract from the implementation of the policy (e.g. financial, legislative, other)?**

No

**Main stakeholders in relation to the policy**

Please list main stakeholders affected by the policy (e.g. staff, service users, other statutory bodies, community or voluntary sector, private sector)

Relevant staff members, suppliers, contractors, local SMEs, Community Groups

**Are there any other policies with a bearing on this policy? If so, please identify them and how they impact on this policy.**

Financial Regulations

**Available Evidence**

Council should ensure that its screening decisions are informed by relevant data. What evidence/information (both qualitative and quantitative) have you gathered to inform this policy? Specify details for each of the Section 75 categories.

<b>Section 75 category</b>	<b>Evidence</b>
Religious belief	The policy was developed in accordance with relevant EU and UK legislation. There is also a commitment within the policy to promote the integration of equality considerations into procurement in compliance with the guidance issued by the Equality Commission for Northern Ireland and the Central Procurement Directorate.
Political opinion	
Racial group	
Age	
Marital status	
Sexual orientation	
Men and women generally	
Disability	
Dependants	

**Needs, experiences and priorities**

Taking into account the information gathered above, what are the different needs, experiences and priorities of each of the following categories in relation to this particular policy/decision?

<b>Section 75 category</b>	<b>Needs, experiences and priorities</b>
Religious belief	Procurement exercises conducted within the legacy Councils have not revealed any adverse impacts on individual equality categories. However, there is a commitment within the policy to promote equality of opportunity within all procurement exercises.
Political opinion	
Racial group	
Age	
Marital status	
Sexual orientation	
Men and women generally	

Disability	
Dependants	

**Screening Questions**

**1. What is the likely impact on equality of opportunity for those affected by this policy for each of the Section 75 categories?**

Category	Policy Impact	Level of impact (Major/minor/none)
Religious belief		None
Political opinion		None
Racial group		None
Age		None
Marital status		None
Sexual orientation		None
Men and women generally		None
Disability		None
Dependants		None

**2. Are there opportunities to better promote equality of opportunity for people within the Section 75 categories?**

Category	If yes, provide details	If no, provide reasons
Religious belief		No
Political opinion		No
Racial group		No
Age		No
Marital status		No
Sexual orientation		No
Men and women generally		No

Disability		No
Dependents		No

<b>3. To what extent is the policy likely to impact on good relations between people of different religious belief, political opinion, or racial group?</b>		
Category	Details of Policy Impact	Level of impact (major/minor/none)
Religious belief		None
Political opinion		None
Racial group		None

<b>4. Are there opportunities to better promote good relations between people of different religious belief, political opinion or racial group?</b>		
Category	If yes, provide details	If no, provide reasons
Religious belief		No
Political opinion		No
Racial group		No

**Multiple Identity**

Generally speaking, people fall into more than one Section 75 category (for example: disabled minority ethnic people; disabled women; young Protestant men; young lesbian, gay and bisexual people). Provide details of data on the impact of the policy on people with multiple identities. Specify relevant s75 categories concerned.

N/A
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**Disability Discrimination (NI) Order 2006**

Is there an opportunity for the policy to promote positive attitudes towards disabled people?

N/A

Is there an opportunity for the policy to encourage participation by disabled people in public life?

N/A

**Screening Decision**

**A: NO IMPACT IDENTIFIED ON ANY CATEGORY – EQIA UNNECESSARY**

Please identify reasons for this below

This policy was developed in accordance with relevant EU and UK legislation. Procurement exercises conducted in the legacy Councils have not revealed any adverse impacts on individual equality categories. However, there is a commitment within the policy to promote the integration of equality considerations into procurement in compliance with the guidance issued by the Equality Commission for Northern Ireland and the Central Procurement Directorate.

**B: MINOR IMPACT IDENTIFIED – EQIA NOT CONSIDERED NECESSARY AS IMPACT CAN BE ELIMINATED OR MITIGATED**

Where the impact is likely to be minor, you should consider if the policy can be mitigated or an alternative policy introduced. If so, EQIA may not be considered necessary. You must indicate the reasons for this decision below, together with details of measures to mitigate the adverse impact or the alternative policy proposed.

## C: MAJOR IMPACT IDENTIFIED – EQIA REQUIRED

If the decision is to conduct an equality impact assessment, please provide details of the reasons.

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### Timetabling and Prioritising

If the policy has been screened in for equality impact assessment, please answer the following questions to determine its priority for timetabling the equality impact assessment.

On a scale of 1-3 with 1 being the lowest priority and 3 being the highest, assess the policy in terms of its priority for equality impact assessment.

Priority criterion	Rating (1-3)
Effect on equality of opportunity and good relations	
Social need	
Effect on people's daily lives	

The total rating score should be used to prioritise the policy in rank order with other policies screened in for equality impact assessment. This list of priorities will assist the council in timetabling its EQIAs.

Is the policy affected by timetables established by other relevant public authorities? If yes, please give details.

## Monitoring

Effective monitoring will help the authority identify any future adverse impact arising from the policy. It is recommended that where a policy has been amended or an alternative policy introduced to mitigate adverse impact, monitoring be undertaken on a broader basis to identify any impact (positive or adverse).

Further information on monitoring is available in the Equality Commission's guidance on monitoring

Identify how the impact of the policy is to be monitored

## Approval and Authorisation

A copy of the screening form for each policy screened should be signed off by the senior manager responsible for that policy. The screening recommendation should be reported to the relevant Committee/Council when the policy is submitted for approval.

Screened by	Position/Job title	Date
Graham Coulter	Head of Finance and ICT	February 2015
Approved by	Position/Job Title	Date
Roger Wilson	Chief Executive	February 2015

**Please forward a copy of the completed form with policy attached to XXX Officer who will ensure that screening forms and policies are available on the Council website.**

**This officer is also responsible for issuing reports on a quarterly basis on those policies “screened out for EQIA”. This allows stakeholders who disagree with this recommendation to submit their views. In the event of any stakeholder disagreeing with the decision to screen out any policy, the screening exercise will be reviewed.**