

Strategaeth Gaffael

Procurement Strategy

2023-2028



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Foreword

Cabinet Board Member

It gives me great pleasure to introduce Carmarthenshire County Council's Procurement Strategy for 2023-2028 which supports the aspirations of the Cabinet's Vision Statement. We are determined to support local business and economic growth, tackle poverty and meet our pledge to become a net zero carbon local authority by 2030.

This new strategy offers an appropriate time to reflect on the progress made by our commitment to a more strategic approach to procuring our goods, services and works, and to look ahead during this very challenging period.

We intend to enhance the Council's procurement activities by ensuring that arrangements are in place to help officers to work closer together to deliver innovative solutions that offer value for money, are sustainable, efficient and ultimately improve the well-being of the residents of Carmarthenshire.

Cllr. Alun Lenny
Cabinet Member for Resources

Director of Corporate Resources

This revised strategy outlines our priorities for 2023-2028 and outlines how the Council's procurement activities will continue to contribute to achieving the Council's objectives over the next five years.

Carmarthenshire County Council spends approximately £311 million annually with external contractors, suppliers and service providers and as officers, we have a duty to ensure that this spending represents value for money for the residents of the County through compliant, efficient and effective procurement policies and practices.

In addition, the Council must also ensure that it is able to plan for and adapt to the ever-changing legislative landscape, including the much-anticipated reform of the Public Procurement Regulations which is due to be implemented in 2024. The Council must also continue to procure against a backdrop of economic and geo-political uncertainty where world events can have significant impacts on our local procurement activities. It is imperative that we are able to react and adapt to such challenges.

As the Director with responsibility for this key service area, I recognise that innovative and compliant procurement practices continue to play a fundamental role in achieving the Council's vision, supporting local businesses whilst protecting our front-line services and supporting our County in a socially conscious and a sustainable manner.

Chris Moore
Director of Corporate Services

Introduction

What is procurement?

“The process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and the economy, whilst minimising damage to the environment.”¹



Our vision

“To apply strategic thinking to all our procurement activities that supports local delivery.”

Since our last Procurement strategy (2018-2022) we have witnessed unprecedented challenges across the UK. From the UK’s exit from the European Union in 2020 and the Covid 19 Pandemic, we have had to continuously adapt our approach to procurement to deliver quality services and value for money. All whilst experiencing extremely volatile supply markets which have seen spiralling costs and uncertainty of supply. The effects of the pandemic will continue to be seen for years to come.

In 2024 we will witness a ‘once in a generation’ procurement legislation reform. This will bring significant change in how we procure, along with exciting opportunities to further place value for money and community benefits at the heart of our procurement activities. Increased transparency requirements will hold us further to account for the decisions we make, the impact they have on suppliers and the Public and the economy.

During the last 4 years we have learnt to adapt, and in times of uncertainty comes greater flexibility and willingness to try different approaches. We will continue to deliver innovative, sustainable, and compliant procurement solutions.

Our purpose

This Procurement Strategy sets out our goals and objectives to help achieve our vision of applying strategic thinking to all procurement activity. We aim to do so whilst delivering sustainable and socially responsible procurement and considering the long-term social, economic, environmental, and cultural well-being of Carmarthenshire.

¹ Wales Public Procurement Policy Statement 2015.

We will ensure our spend is compliant with our Contract Procedure Rules and the Public Contracts regulations whilst raising the profile of procurement to influence early planning for the delivery of effective service provision.

Through the promotion of robust Contract Management practices, we will ensure our contracts are performing as expected.

We will support the Council in achieving its wider aims and objectives as set out within its Corporate Strategy (2022 – 2027) and the Cabinet Vision Statement (2022-2027). We will promote the 'Think Carmarthenshire First' approach widely, encouraging officers, wherever possible, to seek quotations from local suppliers. We will continue to support local businesses, actively working to remove barriers facing SMEs and targeting support towards specific tendering opportunities across the County and promoting our forward work programme in advance.

Our Governance and Leadership

The Corporate Procurement Unit (CPU) is based within the Revenues and Financial Compliance division of the Corporate Services department. CPU are currently a team of 12 Procurement Officers, 10 of which hold the professional procurement qualification - CIPS (Chartered Institute of Procurement & Supply).

We sit in the Corporate Services Department and report to the Corporate Performance & Resources Scrutiny Committee.

We are represented in a range of regional and national procurement steering and working groups to keep abreast on changing policies and to share best practice across all sectors.

All this is set out within the regulation in the Council Constitution through the Contract Procedure Rules and Financial Regulations, which in turn fits with the current UK Public Contract Regulations (2015).

Statutory Context

Procurement is currently governed by the **Public Sector Contracts Regulations 2015**, but in 2024 Procurement will be subject to considerable legislative reform. **The Procurement Bill** will bring significant change in how we procure, placing value for money, public benefit, transparency, and integrity at the heart of our procurement system.

Further legislation which will impact on how we procure is the **Social Partnership and Public Procurement (Wales) Act 2023** which came into law in May 2023 and the pending **Health Services Procurement (Wales) Bill**. The first will require us to legally consider socially responsible public procurement when carrying out procurement activities, to set objectives in relation to well-being goals, and to publish a procurement strategy. The second will change the way healthcare services are procured in Wales.

Policy Drivers

Through the delivery of this Strategy we will ensure a number of the expected outcomes identified within the **Council's Corporate Strategy (2022-2027)** can be achieved which in turn will underpin the delivery of our The Well-being of Future Generations (Wales) (WBFG) Act (2015) and our Well-being Objectives.

The WBFG Act requires each public body to carry out sustainable development, which means the process of improving the economic, social, environmental and cultural well-being of Wales. The role of procurement is an important part of how a public body allocates resources under the Act.

Carmarthenshire County Council has 4 Well-being Objectives drawn from the seven Well-being Goals identified in the WBFG Act. Procurement, as a strategic function will feed into all 4 with its work with the departments, although specifically we directly contribute to:-

- Well-being Objective 3 - Enabling our communities and environment to be healthy, safe and prosperous (Prosperous Communities) through our delivery of Community Benefits and social Value clauses.
- Well-being Objective 4 - To further modernise and develop as a resilient and efficient Council (Our Council) through the delivery of our function in supporting our departments to contract effectively.

We will ensure our procurement activity is in accordance with all relevant legislation and policy, including the Equalities Act (2010), , and the Welsh Government's Code of Practice for Ethical Employment in Supply chains.

In accordance with the Welsh Language (Wales) Measure 2011 we will continue to embed the Welsh language in our tendering and Community Benefits activities.

Wales Procurement Policy Statement

This lays out the principles by which public sector procurement should be delivered in Wales. The 10 principles are embedded throughout this Strategy which demonstrates our continued commitment to procuring well-being in Wales.

Net Zero Carbon

Action to tackling climate change and mitigating against its impacts is a central organising pillar within Carmarthenshire County Council. In February 2019, the Council declared a climate emergency, and made a commitment to becoming a Net Zero Carbon local authority by 2030. In 2022, the Council also declared a nature emergency in recognition of the importance of the role it has in mitigating against the impacts of the nature and climate emergencies and of its leadership role across the wider public sector.

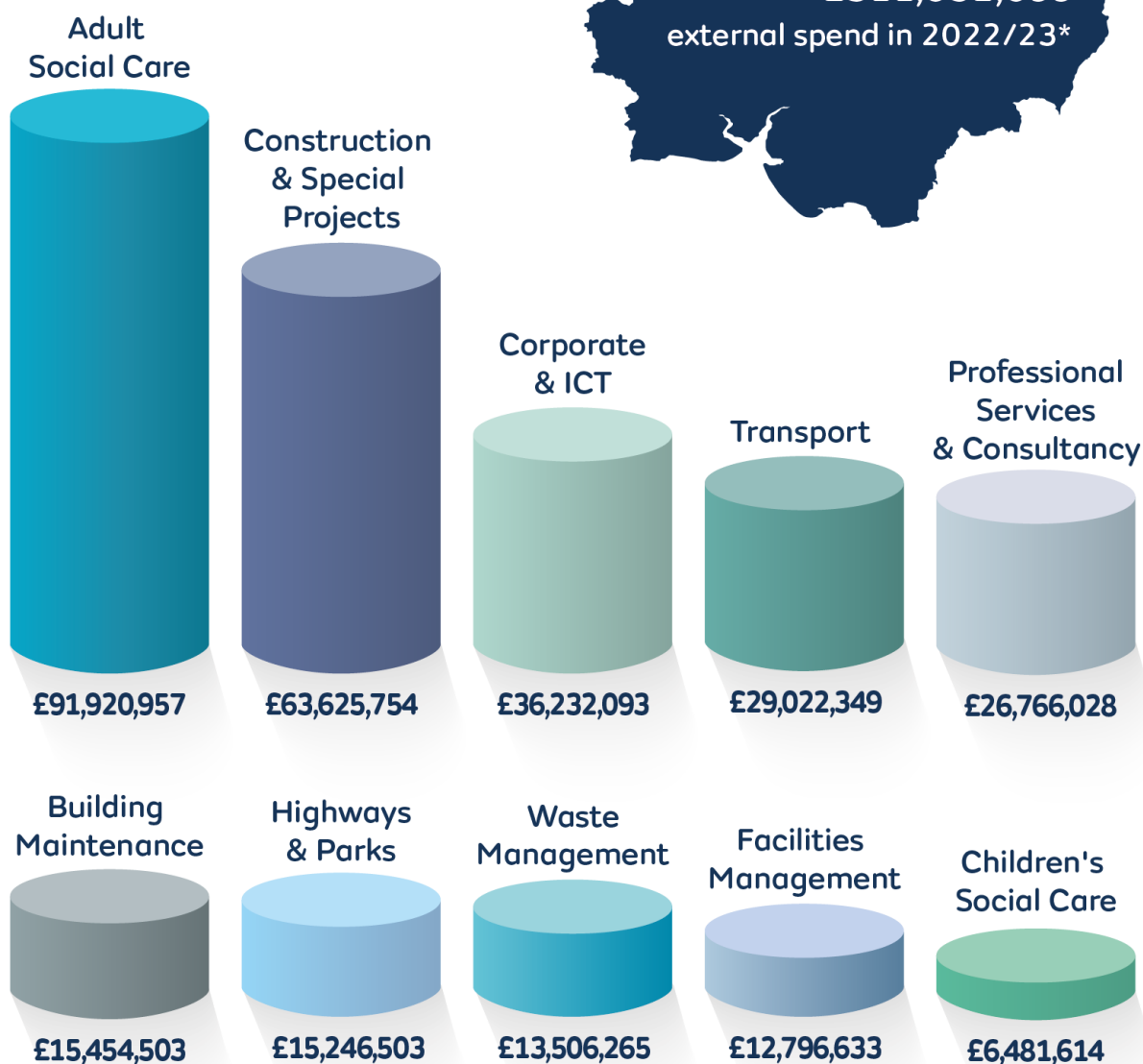
The council was one of the first local authorities in Wales to develop a net zero plan, and we are building consideration of the environmental impact within the procurement of our goods, services and works from the outset, in order to deliver more sustainable solutions.

We are also working through the WLGA's Climate Change Strategy Panel to collaborate with other local authorities and organisations to drive change, to develop and deliver innovative approaches to procurement for example in using our collective resource to accelerate the uptake of low carbon fleet.

Achieving Net Zero requires a reduction in emissions and while we recognise the current challenge of reporting Scope 3 emissions within the supply chain, because they involve a complex web of activities throughout the value chain, we are committed to working in collaboration with suppliers, customers, and other stakeholders to get a more better understanding and focussed on activity that drives down carbon within that chain. That more accurate understanding will help identify opportunities for departments to reduce their environmental impact across the entire supply chain.

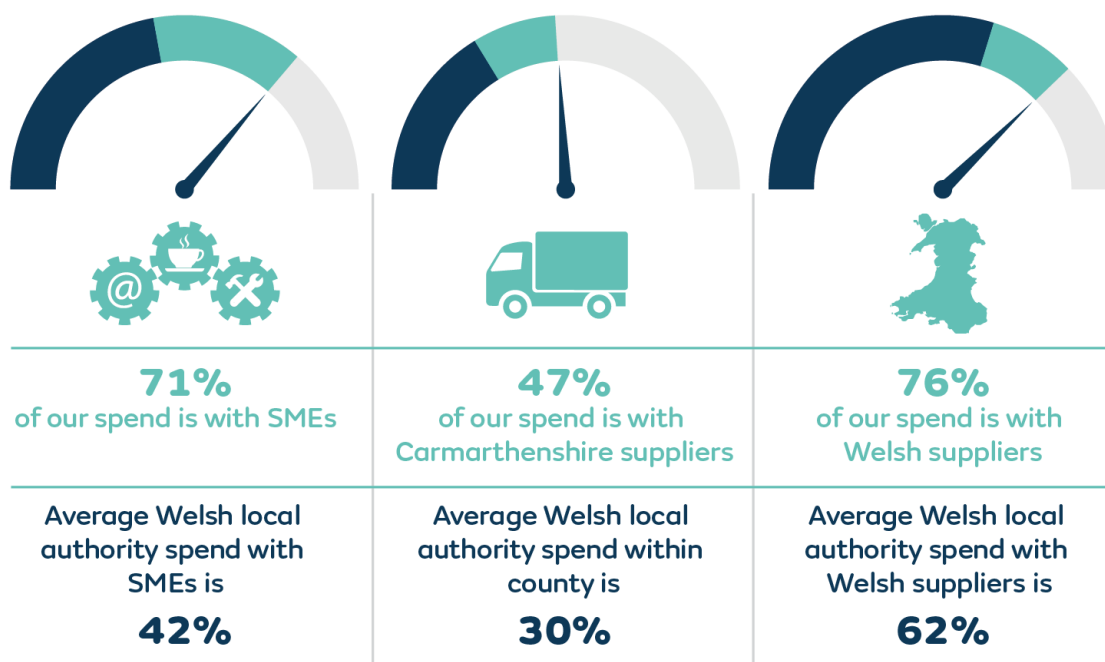
Our Spend

Carmarthenshire Spend Category Structures



*ATAMIS Spend Data 2022/23 which includes school expenditure

Our Suppliers



Our Approach

Category Management



We will continue to develop our Category Management Approach to our procurement spend – By understanding the resources and priorities of the Council we can make informed decisions with our officers across the departments on where spend should be allocated, supported by our data.

Our Priorities

In line with our support for the delivery of the aims of the Council's Corporate Strategy we have identified the following key priorities for the Corporate Procurement Unit. We will explain in detail below why these priorities are important, what we want out of them and how they will be achieved, and their impact measured: -





Delivering compliant processes and procedures

Why is this important?



The complexity of UK Procurement Law and developing case law necessitates that the Council runs effective tender processes that are compliant and transparent in line with current and emerging legislation and best procurement practices. In an increasingly litigious marketplace, the Council must safeguard itself against potential challenges which, if proved successful, could bring about significant financial penalties, legal costs and reputational damage.

Through the delivery of our procurement activity, we recognise we can help support the Council's wider strategic objectives.

What do we want out of it?

- We want to ensure officers throughout the Council who are responsible for procuring goods, works or services are aware of their responsibilities to undertake compliant procurement activities.
- We want to continuously strive to embed the principle of innovation and continuous improvement within our procurement methods and processes.
- We will support effective contract management to deliver value for money and successful outcomes, on time and to budget.



How will we achieve it?

- We will continue to develop standard processes and templates which are compliant with current legislation, emerging case law and national policy.
- We will work with departments to implement effective contract management across the Council.
- We will continue to develop a range of training courses and eLearning modules to support the Category Management teams and departmental officers.
- We will continue to develop and invest in a skilled Corporate Procurement Unit to provide professional procurement guidance.



How will we measure its impact?

- We will monitor the % of procurement spend compliant with our Contract Procedure Rules.
- We will monitor the number of exception requests for approval to waiver competition to the Contract Procedure Rules we receive.
- We will monitor the Continuous Professional Development of officers in the Corporate Procurement Unit.
- We will monitor the level of procurement training delivered throughout Council.





Delivering spend effectively

Why is this important?



We need to ensure we are spending money in a way that is efficient and delivers value for money, is sustainable and supports the local economy. We must question if there is another way, can we reuse existing resources and reduce waste in what we procure. By buying the right things and taking into account the whole life costs of our commissioning and procurement decisions we can carefully consider their impact on the local economy, society and environment.

What do we want out of it?

- A coordinated and focused approach to category management, based on an understanding of our business needs and market analysis which are key to delivering effective procurement activity.
- To continue to analyse our spend to identify opportunities for innovation and challenge current spending behaviours including identifying opportunities for efficiencies.



How will we achieve it?

- We will develop a 'Tender Strategy' template for key strategic projects to explore the business need and formulate the procurement approach and desired outcomes.
- We will ensure that spend analysis is used strategically and is routinely considered at senior leadership level.
- We will review our Category Management Structure and approach to ensure that we manage supply and demand across all our procurement activities to achieve value for money.
- We will continue to embed the Expressions of Interest (EOI) process for procurement support to ensure our resources are managed effectively and are commensurate with the Council's expectations for delivery.
- We will collaborate with other Welsh public sector organisations where benefits can be realised.



How will we measure its impact?

- We will monitor the Council's spend to inform the Category Management approach and capture efficiencies where identified.
- We will monitor the number of EOI's received and tenders undertaken to understand if resources are managed effectively.
- We will monitor the % of procurement spend compliant with our Contract Procedure Rules.





Maintaining and developing the local economy

Why is this important?

What we spend has a profound impact on the local economy in terms of sector sustainability and job creation. We want a strong supply base who have equal opportunities to bid for work with the Council.



What do we want out of it?

- We want to assist in the development of a vibrant local economy which is capable of delivering strong and sustainable growth.
- We want to achieve maximum value for every pound we spend in the widest sense; building stronger communities, reducing social exclusion and poverty and encouraging the development of our economy.



How will we achieve it?

- We will promote 'Think Carmarthenshire First' for low value spend, working with colleagues in Marketing and Media to promote widely.
- We will continue to deliver strategic and innovative supplier engagement to maximise opportunities for SMEs.
- We will further investigate any potential barriers facing SME's in bidding for work and adapt our approach accordingly.
- We will continue to enhance and refine procurement processes and documentation to ensure they are proportionate to the tender exercise.
- We will continue to develop innovative Community Benefits / Social Value clauses, targeting wider Well-Being outcomes.
- We will develop and publish a longer-term forward work plan to improve access to information on our existing and forthcoming tenders for suppliers.
- We will maintain our online Contracts Register for the new Procurement Bill requirement.
- We will continue to strengthen the relationship between procurement and economic development to target effective local business support.
- We will support the development of the Foundational Economy, working with Economic Development to develop new and existing supply chains to bid and to be successful in future Council contracts.



How will we measure its impact?

- We will monitor the percentage of spend with local suppliers and develop an approach to analyse supplier re-spend in Carmarthenshire.
- We will monitor, record and report Community Benefits delivered through our contracts and frameworks.
- We will adopt an approach to monitor Local Economic Benefits retained within Carmarthenshire from local employment and local supply chain spend through our contracts.
- We will continue to analyse the success of supplier engagement initiatives with Economic Development officers to understand the impact on suppliers.





Buying Responsibly

Why is this important?

Sustainable procurement is a major driver for innovation, and by incentivising suppliers to reduce the environmental impact of goods, works and services we are playing a crucial role in tackling the impact of climate change and ensuring the sustainability of our county for

future generations. We are focused on priority outcomes such as creating local jobs and skills, providing equality of opportunity to all, improving health and wellbeing, reducing emissions and ensuring best value for money.



What do we want out of it?

- We will contribute to the Council's Net Zero Carbon commitment.
- We will support Ethical Employment and Fair Work practices.
- We will seek to address the 7 Well-being Goals and 5 Ways of Working from the Well-Being of Future Generations (Wales) Act 2015.



How will we achieve it?

- We will develop our approach to Carbon Reduction through our procurement activity by including the principles of the Circular Economy in our tenders.
- We will understand better the carbon of intensity of our supply chain.
- We will work with the WLGA to develop guidance and tools to support practitioners in making decisions to support the transition to low carbon procurement.
- We will continue to apply the Welsh Government's Sustainable Risk Assessments to all procurement activity over £25,000.
- We will ensure as many of our suppliers and providers commit to Welsh Government's Ethical Procurement with reference to the Code of Practice.
- We will take into account our 'Socially Responsible procurement Duty' in line with the Social Partnership and Public Procurement (Wales) Act 2023.
- We will continuously review our requirement for our third party contractors who provide us with onsite services to pay their employees the Real Living wage.
- We will continue to support the Welsh Language through our Procurement activity.
- We will continue to consult with Welsh Government on the proposed introduction of legislation on Social Partnership and Procurement Bill to ensure fair work outcomes for all and in our ongoing aim to deliver socially responsible Procurement.
- We will continue to consult with Welsh Government on the potential Procurement Reform to minimise the impact on our local supply chains.



How will we measure its impact?

- We will report our Scope 3 emissions on purchased goods, works and services to Welsh Government.
- We will monitor tender specifications for the inclusion of carbon reduction and ethical employment measures.
- We will continue to review the impact of carrying out Sustainable Risk Assessment exercises for exercises over £25,000.



Useful Links

Carmarthenshire County Council – Tenders and Contracts (Procurement Homepage)

<http://www.carmarthenshire.gov.wales/home/business/tenders-contracts>

Carmarthenshire' Corporate Strategy 2022-2027

[Corporate Strategy 2022-2027 \(gov.wales\)](#)

Wales Procurement Policy Statement

[WG45831 Wales Procurement Policy Statement \(gov.wales\)](#)

Sell2Wales

<https://www.sell2wales.gov.wales>

Contacts

The Corporate Procurement Unit is part of the Revenues & Financial Compliance Division, within the Corporate Services Department.

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