



SURREY HEATH BOROUGH COUNCIL

Procurement and Contract Management Strategy

April 2023

Updated: May 2025



I Introduction

- I.1 There have been considerable changes within Government and Local Government in recent years. One of the biggest being the United Kingdom's decision to leave the European Union in 2016. As a local authority, this has had a major impact on how day-to-day activities are conducted, particularly around areas of Procurement and Contract management. The changes have included the Public Contract Regulations 2015 being replaced by the Procurement Act 2023, which came into full effect on February 24th 2025.
- I.2 This document provides clarity on matters of Procurement and Contract Management within Surrey Heath Borough Council (the Council). It is important to note that this document is not a procurement guideline or rulebook and should be read and applied alongside the Procurement Act 2023, the Procurement Regulations 2024 and the Council's own Financial and Contract Standing Orders (CSOs) (Sections 4G through 4I of the Constitution).
- I.3 Procurement covers the entire lifecycle of the purchasing conducted by the Council; beginning with the inception stage of identifying requirements, assessing and evaluating bids, committing to the purchasing of goods, services and works and the subsequent management of the contract for its full term.
- I.4 The Council spends over £25 million per annum on goods, services and works. These funds are allocated to ensure the council can meet its obligations and achieve corporate objectives.
- I.5 The Council is committed to ensuring this sum of money is spent with utmost care and consideration. The way the council spends these funds has



a major impact on the conditions of the local area, both directly and indirectly. It is therefore critical that due care is taken in the consideration of what goods, services and works are to be purchased, the opportunities these will bring to the Council and the selected suppliers.

2 Executive Summary

- 2.1 The purpose of this document is to set out for all stakeholders the full procurement process and in turn ensure Council objectives are reached as set out in its Five-year strategy 2022-2027.
- 2.2 The Procurement team provides effective assistance to all stakeholders in the entire process of all purchasing. From low-cost to above threshold spending in the team ensures priorities in the Five-year strategy, for example Environment, Health and Quality of Life and Economy, with the use of local suppliers where possible, are achieved.
- 2.3 Documents relating to Procurement can be found on the Council's intranet, Warbler.

3 Strategy Benefits

- 3.1 The Council strives to achieve the following:
 - 3.1.1 Ending reactive procurement and contract management practices and implementation of a more progressive and strategic approach of:
 - Value for money being of utmost importance with well-planned and managed procurement exercises. The Council has committed to being effective and responsive with improved procurement training, collaboration with other councils and the use of frameworks.



- Council wide use of an e-Sourcing platform to plan and execute procurement activities and contract management. Use of SharePoint for Contract data storage.
- Stricter and monitored adherence to Procurement policies, regulations and guidance, all of which can be found on the Council's intranet page, Warbler.
- Developing and sharing best practice within the Council and across other Local Authorities; the Council is part of the Surrey Procurement Group – a forum to share knowledge and promote greater collaboration.

3.2 Better risk assessment and management of contracts, to include:

- Modern slavery considerations;
- Collaborating with suppliers with a proven record of delivery, particularly in matters of Environment, fairtrade, equality, inclusion and diversity;
- Scrutiny of supplier suitability, e.g. ensuring the supplier has financial and expert capabilities for contract delivery;
- checking of references.
- The use of references and credit agencies together with detailed assessment of submitted bids is important to ensure the Council isn't brought into disrepute.

3.3 Alignment with the Council's Climate Change Action Plan, by:

- Helping the Council to achieve its goal of having net zero emissions by 2030 for operational estate, including contractors used.
- Up to 90% of Local Authority carbon emissions are a result of their supply chains from goods, services and works. A Climate emergency was declared by the Council in 2019 with a pledge to work towards



becoming carbon neutral by 2030 and to meet the Borough goal of becoming Net zero by 2050. Educating internal procurers to review their consumption to reduce usage and adopt more environmentally friendly products and services.

4 Procurement

4.1 This strategy aims to ensure adherence to the Procurement Act 2023 and the Procurement Regulations 2024 and the Council's Contract Standing Orders, which were made under Council powers under Section 135 of the Local Government Act 1972. The following procurement principles are key to all procurement activities and contract management processes:

- Value for money
- Accountability
- Competitive supply
- Consistency
- Effectiveness
- Fair dealing
- Integration
- Integrity

4.2 Procurement Process

4.2.1 **Drafting of the proposal:** Value for money must be maintained as a key consideration. Consideration must be made to the necessity of the goods, services or works and their benefits to the Council. Early benchmarking can be implemented to assess the marketplace and gain an insight into the value that could be achieved in the marketplace, to facilitate comparisons with existing contracts and internal resources.



- 4.2.2 **Contracts Register:** The Procurement team maintains a Contracts Register, the link for which is available on the Council's website, to enable Officers to know contract terms and implement planned procurements in a timely manner. This is to ensure compliance with the Transparency Code 2015. It is the responsibility of all contracting staff to ensure the Contracts Register is up to date and all spend above £5,000 net is registered using the e-Sourcing portal Contracts module.
- 4.2.3 **Social Considerations:** part of the Council's Five-year strategy is to ensure the nurturing of a strong sense of community Borough-wide, and procurements must have this in mind during its processes. For above public procurement thresholds, Social Value must be included in the Quality element for evaluation with a minimum weighting of 10%.
- 4.2.4 **Financial Considerations:** budgets must be secured prior to conducting any procurement exercise. Contracts must be valued for the entire term, not on an annual basis, which may include costs of disengagement. Economic challenges mean that Officers must ensure that goods, services and works procured will help lift the Council's economy. The standard quality and price weighting ratio for evaluation is 40% quality, 60% price. Any increase in the quality weighting must be requested in advance by submission of a waiver request form to the Procurement Board for consideration.
- 4.2.5 **Risk Assessment:** mandatory questions are asked for relevant procurements to ensure that risk is minimised and mitigated; this is a crucial step for high cost and sensitive projects.
- 4.2.6 **Equality, Diversity and Inclusion:** the Council is an inclusive institution; Officers are to ensure this spirit is applied during procurement processes and contract management.
- 4.2.7 **Stakeholders:** involvement of all required must be considered e.g. Procurement, Legal, ICT, Finance.
- 4.2.8 **Fairtrade:** the Council has expressed its intention to work towards the achievement of Fairtrade status for the Borough. As such, it will consider Fairtrade credentials of suppliers when assessing bids.



4.2.9 Environment and Climate Emergency: given the massive impact of procurement on the Council's carbon emissions, it is critical that Officers remain aware of the Council's Net zero aims with procuring and managing contracts. The Council's Climate Change Action Plan (CCAP) to meet its aims and objectives for climate change; the actions cover five key themes: Energy, Transport, Environment, Behaviour Change and Operations. The CCAP suggests key areas in which emissions can be reduced from procurement activities and training offered to procurers to enhance knowledge on climate issues. This document can be found on the Surrey Heath Climate Change website <https://www.surreyheath.gov.uk/climate-change>. Officers and the Procurement team will assist in achieving the aims of the CCAP through:

- Greater use of local suppliers where appropriate
- Completing due diligence of potential suppliers and contractors to consider the environmental impact of goods, services or works
- Review tender methodology to consider environmental issues as part of any social value assessment, ensuring the Borough's supply chain footprint is reduced.
- Training conducted in the short term to medium terms to provide Officers with the knowledge in how to implement these aims.



5 Financial Thresholds and Procedures

Total Value of Contract	Type of Contract	Procedure to be used
Up to £9,999 net	Goods, services and works	At least one quote in advance
£10,000 and above net	Goods, services and works	At least three tenders in advance, tendered via the Council's e-Sourcing portal

All tenders from £25,000 net up to £199,000 net must receive Procurement Board approval by submission of a Procurement Request Form, all tenders from £200,000 net must receive Executive approval

- 5.1 Processes will vary if a different route to market is selected, such as use of a framework. Officers must seek Procurement advice regarding the procurement process.
- 5.2 In exceptional and limited circumstances for below threshold procurements and where there is no genuine competition due to there being no reasonably satisfactory alternative available, waivers to Council CSOs can be applied for to the Procurement Board for consideration by the Section 151 Officer and Head of Legal and Democratic Services.
- 5.3 For tender level, the steps are as follows:
- Defining the need: Officers must detail rationale for planning a procurement activity to include costs, stakeholders impacted by the goods, services or works, Service Level Agreements (SLAs) and Key Performance Indicators (KPIs). The Legal team can assist with formulating SLAs and KPIs;



- Formulating tender documentation: this stage is assisted by Procurement up to £99,999.00 net and conducted by Procurement from £100,000.00 net in liaison with Service areas.
- Tender publication: this is conducted using the Council's e-Sourcing portal. During the tender period, there is provision for clarification queries from potential bidders. Evaluation of submitted bids takes place followed by selection of the winning bid.
- Contract Award Notice: following contract execution, a notice is published on the Government's Find a Tender Service platform. For relevant tenders, a standstill period will be observed to allow for any challenges by unsuccessful bidders regarding the evaluation process undertaken.
- Contract management: this is conducted throughout the term of the contract to ensure that the contract is delivered to the desired standards and levels as agreed. All Officers are responsible for managing contracts in which they are engaged. Appropriate authorisation must be obtained prior to public funds being spent to ensure value for money and control of funds.

6 Governance and Contract Management

- 6.1 The Legal team manage and assist with the formulation and storage of all contracts above £50,000 net, signed under seal. Service Areas must also keep a copy of the signed contracts for contract management, storing one within the document section of the Contract module of the e-Sourcing portal. The Legal team will advise on various clauses, language and nature of the contract terms and conditions/agreement.
- 6.2 To mitigate against any damage to the Council's reputation and additional spend to rectify errors, Officers must ensure that contracts/agreements are clear, transparent and with detailed deliverables agreed upon by the supplier



by way of appropriate contract execution. Goods, services and works must not commence until appropriately signed contracts are in place.

6.3 Efficient contract management will facilitate:

Expectation	Stakeholder Action
Value for money for the Council	Ensure supplier has expertise to meet contract requirements
Clear understanding of deliverables for goods, services and works	Ensure SLAs and KPIs (where they are appropriate) are well understood by all stakeholders and deliverable
Formal agreements to changes are conducted compliantly and appropriately documented	Ensure all changes are documented with any missed deadlines or deviations recorded and dealt with in line with agreed deliverables in a time manner
Initiatives such as Social Value must be included, assessed and reported within the contract term	Gain value from such initiatives, particularly those aiming to achieve the four priorities.
Lessons learned and implemented in future contracts to assist in building good relationships with suppliers	Note delivery of goods, services and works to inform future procurement exercises
Record insights to share with the Council to better advise future plans and objectives	Future planning must be maintained throughout contract term to better inform decision making



7 Expectations from Suppliers

Priorities	Aim
Environment	To support the Council in its aim to manage climate change, targets and enhance greater access to the Borough's green spaces to ensure enjoyment for generations to come
Health and Quality of Life	To support the Council to nurture a strong sense of community across the Borough, fostering a sense of respect and consideration. The Council promotes active and healthy lives for all and a rich programme of cultural and community events, suppliers will be expected to support this
Economy	To support the Council's commitment to investing in its towns, villages and communities; supporting other businesses and attracting new investment to help continuous improvement to the Borough's infrastructure.



Priorities	Aim
Effective and Responsive Council	To support the Council's commitment to listening and continuous engagement through its implementation processes. The Council increases collaboration with other Local Authorities, partners, businesses and the voluntary sector and harnesses opportunities presented by technology to ensure effective delivery of services, its suppliers will be expected to support this.

8 Action Plan

8.1 Training: to meet the goals in the Five-year strategy, the Procurement team in conjunction with Human Resources (HR) have implemented training for all Council staff to improve Procurement compliance and adherence to CSOs and Public Procurement Regulations. The latest third-party analysis revealed an increased need for compliance and a substantial amount of individual accumulative spend with the same suppliers exceeding the £5,000 net threshold and therefore should have been under contract. To ensure success of the goals and objectives set by the Five-year strategy and to improve Procurement and Contract Management practices, the training will be conducted to achieve:

- Dissemination of greater awareness as to why efficient Procurement and adherence to principles set out in this strategy are critical to the achievement of Council wide goals and objectives;
- Improve compliance through appropriate and regular training;



- Better informed and confident stakeholders which will lead to a more conscious approach to procurement exercises and better contract management.
- Long-term aim for training: evidence of higher compliance levels and improved contract management with on-going roll-out of training aids and documentation and refresher courses.

8.2 Monitoring and Actions

8.2.1 To ensure training and subsequent results are monitored, Procurement and relevant stakeholders will:

- Report to Corporate Management Team (CMT) quarterly with highest areas of spend to highlight whether value for money is being achieved through best procurement practices.
- Report to CMT twice per annum on compliance levels with procurement and contract management guidelines.
- Report to CMT quarterly on training results, training aids and publication of general procurement information on the Council's intranet, Warbler.

9 Conclusions

9.1 This strategy is to empower Officers and Stakeholders to abide by Procurement principles, adhere to Council rules and regulations, improve compliance and in turn achieve the Council's wider Five-year strategy aims and four priorities.

