

# A councillor's guide to procurement





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# Foreword

On behalf of LGA, I am delighted to be able to highlight the key role councillors have as political champions of procurement. This 'Councillors Guide to Procurement' is intended to help councillors achieve their ambitions for growth and economic success in the communities which they represent and serve.

As councillors, we must be at the heart of local priorities that determine our commissioning decisions. The private firms, businesses and voluntary organisations that are so important to local and regional economies need to view council contracts in a positive way and want to do business with their local authorities.

With the Social Value Act coming into force from 31st

January 2013, public bodies, including councils, are required to consider how the services they commission and procure might improve the 'economic, social and environmental wellbeing of the area'. That could mean anything from requiring contractors to take on apprentices; to choosing a bus company that offers an additional dial-a-ride service, thus seeking to obtain additional value from procurement activity.

This 'Councillors Guide to Procurement' sets out a strategic approach to procurement, frames a set of useful questions to ask, and busts a number of procurement 'myths'. The guide has been put together by the LGA as a practical route map which is aimed at elected councillors,

rather than being targeted at those involved in the detail of procurement process.

In my authority, Hounslow, we recognise the social and economic benefit of good procurement practices. We are committed to see both our own employees and those who work for our contactors earn at least the Living Wage, and are developing work with the business community to ensure local SMEs have a chance of being awarded service contracts with the council.

A handwritten signature in black ink, appearing to read 'Ruth Cadbury', written on a light-colored background.

**Councillor Ruth Cadbury**

**Deputy Chair of the LGA  
Improvement and Innovation  
Board**

# Why procurement is important

This is a revised edition of a popular pocket guide to procurement for councillors first published in 2003.

A great deal has changed since that first edition. Councils of course remain focused on delivering for their communities and they are working hard with other local agencies to do that effectively and efficiently. But financially they are living through much **tougher times** than ever before.

With local government third party expenditure totalling around **£60 billion** a year (revenue alone), procurement clearly has a major contribution to make. The LGA has set out procurement's role in the **Local Government Procurement Pledge** and is publishing good

practice exemplified through case studies.

**Councillors** play a vital **leadership** role in both **executive** and **scrutiny** capacities and are in a pivotal position to ensure that, among other things, procurement and contract management continue to deliver savings and support the local economy including small firms and voluntary organisations.

First, there must be a continued push for procurement **savings** that contribute to **cost reduction**. This is something which is best achieved through systematic **collaboration** among councils and other public bodies locally, regionally and nationally on key **categories of expenditure**.

The LGA is leading work on a new **National Procurement Strategy** - for launch in 2013 - based on this collaborative approach. This is being developed in conjunction with a **National Advisory Group** which draws its membership from senior local government procurement practitioners and envisages an important role for local government's **Professional Buying Organisations**. Pilot projects, to be published as case studies on the LGA website, are examining good practice in **category management**.

Second, tougher times mean that councils need to **maximize the benefits** (social, economic and environmental) from every taxpayer's pound that is spent. That includes contracting with the **small firms** and **voluntary sector organisations** that play such an important role in **local economies**. The Social Value act (2012) underpins this focus on '**social value**'.

LGA/LP's **Buying into Communities** provides useful guidelines on how procurement can help boost jobs and skills and create opportunities for small firms.

Third, there must be a renewed focus on **contract management** as a route to cost reduction and including performance management, price benchmarking, cost avoidance, continuous service and process improvement and risk reduction. The LGA, working in partnership with the Audit Commission, will publish a report on why contract management is important and examples of good practice in the near future.

Further, for many councils procurement is now an integral part of a broader **commissioning cycle** and integration of commissioning across local agencies continues including in the health and social care and

‘community budgets’ contexts. In this way procurement plays a part in the implementation of **new service delivery models** that are responsive to the demands of the times we are living in.

Lastly, but no less importantly, procurement plays a critical role in the delivery of **capital projects** including investment in **infrastructure** that supports vital local growth. This is one of a number of areas where Local Partnerships focuses its support offer.

The purpose of this guide is to help councillors - particularly those in executive and scrutiny roles – to **ask the right questions** about procurement in their own organisations and the collaborative arrangements of which they are part and in that way to make an important difference to the results that are achieved for their communities.

Councils of all sizes and descriptions have made good progress on procurement over the last decade. But the challenges facing the sector in the next 10 years clearly mean that councillors will want to remain **vigilant for opportunities to improve further**.

The guide sets out the issues in plain language and includes a ‘jargon buster’ at the end. There are tips on further reading for those who want to go deeper into the topics.

# The councillor role

Procurement, commissioning and contract management account for such a large proportion of council spending and are so critical to the delivery of public services that councillors cannot fail to take a lead.

The strategic importance of procurement should be reflected in an **executive portfolio** – creating a political champion for procurement.

The **leadership role** of the **executive** might include:

- Adopting the **corporate procurement strategy**, ensuring it remains aligned with **strategic objectives** and monitoring its **implementation**.
- Agreeing a **policy on social value** in procurement.
- Overseeing the **corporate arrangements** for procurement to make sure they are operating effectively and efficiently.
- Making **key decisions** in the procurement cycle for major projects (e.g. business case and contract award).
- Promoting the use of **project delivery assurance** (e.g. gateway reviews).
- Monitoring the performance of **contracts with strategic suppliers**.
- **Learning the lessons** from major projects and key contracts.

The role of **overview and scrutiny** councillors might encompass –

- Conducting enquiries into **new service delivery models**.

- Reviewing **areas of high spend** to identify opportunities for improved value for money.
- **Challenging** the progress of major procurement projects
- Reviewing the performance of **strategic suppliers**.
- Ensuring that lessons are learnt from major projects and key contracts.
- Keeping **contract standing orders** and procedures under review.
- **Collaborative contracting** with other local authorities of agencies.

# The Cabinet Member Role

A very effective way to improve procurement and compliance across the council is to consider Cabinet Member responsibility for procurement; this could for example be part of a Deputy Leader role or as a specific responsibility for a Cabinet Member for Finance.

In Birmingham responsibility for **procurement, contract compliance, contract performance and value for money** has been given even more prominence.

Of it's annual revenue budget of approximately £3.5b the council spends just over £1b with a range of suppliers and for this reason a Cabinet Member for Commissioning, Contracting and Improvement has been established.

## Birmingham City Council

“Member involvement is key to ensuring that the right goods and services are procured, thus delivering more of their Council’s priorities at prices that reduce the needs for cuts elsewhere. Scrutiny have an equal role with the Executive in driving additional value, including Social Value, from contracts, grants and partnerships.”

**Councillor Stewart Stacey, Cabinet Member for Commissioning, Contracting and Improvement Birmingham City Council**

The Cabinet Member for Commissioning, Contracting and Improvement has accountability for the following strategic functions:

- **A strategic approach** to, and compliance, with commissioning.
- Ensuring that council commissioning supports its wider **social value** such as employment, training, encouraging social enterprise and ensuring living wages.
- A strategic approach to and compliance with contract management policy.
- Holding **external providers** to account for the performance of services and delivery of contracts.

- Developing policy for, and **monitoring the management of, contracts** to ensure value for money.
- Developing positive relationships and a strategic approach with the **Third Sector**.
- Ensuring **compliance** with relevant council policies such as the Compact and Grant Funding guidance.

In addition the following responsibilities are shared with other Cabinet Members as indicated.

Shared with the Deputy Leader:

- Oversight of procurement management including ensuring the development of appropriate approved **lists of suppliers**.

- Monitoring performance, effectiveness and holding to account the management of all **internal trading operations**.

Shared with the Cabinet Member for Development, Jobs and Skills:

- Introduction and monitoring of a Birmingham Business Charter for Social Responsibility that encourages contractors to offer local employment and training opportunities and to adopt the Birmingham Living Wage policy.

# A strategic approach

## What is 'procurement'?

Procurement is the process of acquiring goods, works and services from third parties.

In other words, it covers everything from paperclips to major infrastructure schemes.

The process includes options appraisal (the 'make or buy' decision). In major projects this is a key stage. Councillors will often be called upon to consider a range of options set out in a 'business case' and to decide which option will be pursued.

The aim is to:

- Achieve the **best value for money**. In the HM Treasury publication *Managing Public Money* value for money is defined in the following way:
- 'It means securing the best mix of quality and effectiveness for the least outlay over the period of use of the goods or services bought. It is not about simply minimizing upfront prices.'
- Take into account **Social Value** during the procurement process, as defined by the Local Services (Social Value) Act 2012, which requires councils to consider the **social, economic and environmental impact** of contracts and how they can best benefit the local community.
- Ensure the quality of procurement decisions, taking into account, as appropriate, the **quality and all of the costs** that will be incurred by the council

**throughout the life** of the asset or contract period not simply the initial prices.

- Employ good **contract management** following a completed procurement process. Good contract management will ensure that effective key performance indicators have been set at the commencement of the contract and that compliance and contract scope is effectively managed throughout the life of the contract, thus ensuring contracted costs are managed.

Every council adopts **contract standing orders** (sometimes called ‘contract procedure rules’). These are the council’s own procurement rules. Naturally, councillors need to understand and work within those rules.

These form part of a broader set of arrangements the council makes locally for procurement and project management, including measures to prevent fraud and corruption, which elected members need to understand.

Further, in local government, as in the rest of the public sector, procurement must be carried out in compliance with **EU directives** and **UK procurement regulations** (the ‘**EU rules**’) and other legal requirements including those relating to staff transfers.

Rules and **principles** stemming from the **EU Treaty** must be applied to lower value procurements as well as to the higher value ones covered by the directives/regulations.

That includes non-discrimination on nationality grounds, equal treatment of bidders, proportionality of procedures and so on.

The EU rules are complex. The LGA and UK Government have lobbied hard for simplification. A process of reform is now underway which in due course is likely to see many of the burdensome and inflexible requirements removed.

It is a useful exercise for councils to review their procurement functions from time to time to ensure they have an effective strategic approach to managing their third party spend with external suppliers and that their procurements are effectively managed and co-ordinated.

## How is 'commissioning' different?

A popular definition of commissioning is -

'Assessing the needs of the population in an area, designing and then securing the delivery of services'

### **(Cabinet Office)**

Commissioning is usually about securing services (rather than acquisition of goods or works). The commissioning model has its origins in health and social care but the approach has been introduced into many other service areas too, notably children's services. Recently, some councils have adopted it as the model for the whole council (the '**commissioning council**').

So how is commissioning different to procurement?. The best way to think of it is that commissioning is a cycle of activities that **includes** procurement (including category management techniques - see below).

The starting point is an assessment of the **needs** of the local population and the **outcomes** that the council and other local agencies want to achieve (it is sometimes called **strategic commissioning** to reflect this population-level focus; **collaborative commissioning** emphasises cooperation across agencies).

**Service users** and their organisations clearly need to be involved from the earliest stages and have a lot to contribute throughout the cycle. With appropriate safeguards, **suppliers' input** can also be extremely valuable.

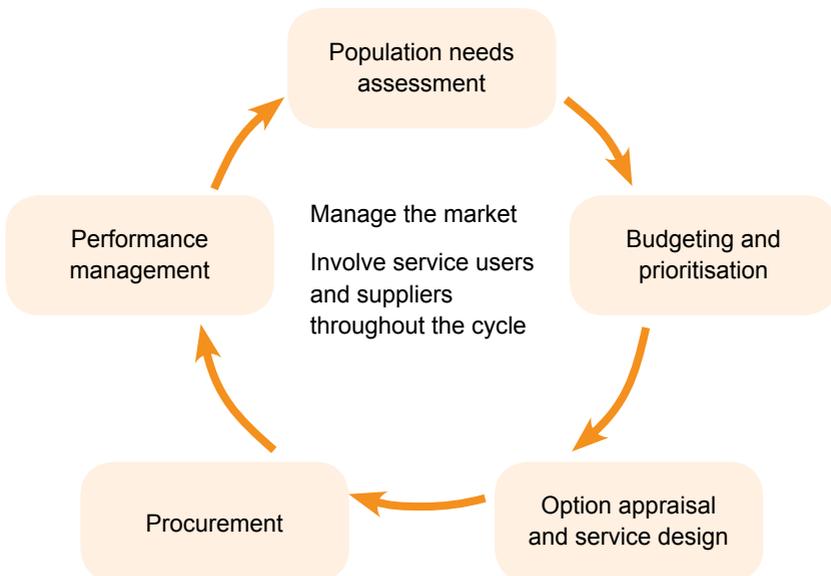
**Myth.** Councils cannot talk to suppliers about their requirements before launching a formal procurement process.

**Reality.** It is good practice, endorsed by the Government, to undertake pre procurement market engagement (often termed pre commercial procurement). 'Provider days' open to all enable the council to get feedback on its plans before commencing procurement and help the market to gear up early to respond.

Next, **resources** are matched to the needs and desired outcomes (or ‘**results**’ to be achieved). Due to financial constraints, this usually means **prioritisation** - a key local democratic role for councillors in consultation with the users and the wide community.

In more complex situations there will be **options appraisal** and **service design** as part of the cycle. Sometimes the decision will be to **de-commission** a service (i.e. to stop providing it) or to provide it in a radically different way (**remodelling**). From time to time an externally-provided service might be brought back **in-house**.

## Commissioning cycle



Before a decision is taken to (re-) procure the service, the council will need to have confidence that there is a marketplace of affordable, quality providers. Market management means having a good ‘map’ of the providers and using all the tools available to the council to shape the market to meet current and future population needs.

## Category management

Councillors need to feel confident that the council has good visibility of what it is spending and that value for money is being obtained. This requires good quality data.

**Spend analysis** is the starting point – an examination of how much the council spends, on what and with whom (‘categorisation’ of spend).

**Benchmarking** provides comparative information on prices and other terms.

Breaking down council expenditure by category (e.g. construction, waste management, consultancy services) is the first step towards ‘**category management**’.

Essentially, category management involves a systematic examination of the structure of **demand** and **supply** in each category (or sub-category) and the development of category-specific **sourcing** strategies and plans where there is an opportunity to improve value for money (i.e. strategies for how the council will go to market for those requirements in the future). Smaller councils generally need to work together on category management.

A category management project (a review of an area of spend) may conclude, for example, that better value can be obtained by subdividing requirements so that **innovative small firms and civil society organisations** have an improved chance of winning contracts and thus strengthening Social Value opportunities.

Realistically, some sourcing strategies can only be put into effect through collaboration between councils (and other public bodies) due to the **volumes** that are required and the benefits that can accrue from aggregating requirements.

A category management approach also involves **demand management**. That is to say, challenging the need to purchase the goods or services or carry out the project at all, at the current time or in the way proposed. A number of organisations have **controls**

in place which ensure this challenge is systematic.

In local government the Pro5 group of **professional buying organisations** is a vehicle for collaborative sourcing strategies and there regional and sub-regional framework agreements including construction, social care, waste management and other requirements.

Councils also have the option of using the strategically-sourced framework agreements put in place by the **Government Procurement Service (GPS)**.

The LGA is currently leading a process nationally to establish a new **National Procurement Strategy** including collaborative category management at local, sub-regional, regional and national levels.

## Procurement process

There are some well-established reasons why major procurements in local government fail including:

- Lack of councillor and senior management **leadership** and **commitment** throughout the process.
- Inadequate **business case**, where the requirement is uncertain, the contribution to strategic **objectives** is unclear and/or there is a lack of **realism** about the council's ability to deliver services in new ways.
- Inadequate **resources**, especially the skills and expertise needed to deliver a successful project.

It is therefore good practice to:

- Give proper emphasis to the **business case** stage in the procurement process including the options proposed.

- Manage major procurements as **projects**, incorporating risk management and assurance in the form of **gateway reviews** (see below).

Further, in local government the procurement processes can be unnecessarily **lengthy and complicated**. This is costly for the council and for the suppliers that are bidding and ties up key staff for long periods of time. The procurement process should therefore be designed according to '**Lean**' principles and councillors should challenge processes which do not remain focused on delivering **results** (benefits).

There is a need to promote and implement procurement processes that are proportionate and not perceived as bureaucratic and burdensome.

## Procurement and contract management

- **Project management.** Treat procurement as project. Focus on results. Adopt a Lean, structured approach for all medium and high-risk projects. Involve procurement and other professional advisers from an early stage.
- **Project organisation.** Be clear about roles and responsibilities including councillors, senior managers and the project team. The project needs to be owned at senior level. There must be a dedicated project manager.
- **Risk management.** The process of identifying, analysing and controlling risks throughout the project.
- **Procurement cycle.** More than tendering, procurement is a cycle beginning with the identification of needs and a business case.
- **Project assurance.** Independent review of major procurement projects at key points in the cycle. Recommended. Local Partnerships offer 'gateway reviews' for local government and the wider public sector. Resource-intensive so should be focused on highest value/risk projects.
- **Contract management.** Foundations are laid during the procurement process including specification and setting of service level agreements

and KPIs. Determine approach, roles and responsibilities and involve the contract manager at an early stage. Focus on delivery of benefits.

- **Strategic supplier relationships.** Focus on relationships with strategic suppliers (value and risk/dependency) as well as controlling the contract.

Typical roles and responsibilities in a project include the **senior responsible owner** - a senior manager who has personal responsibility for driving the project forward and making it a success.

The senior responsible owner may chair a **project board** that typically comprises senior managers from legal, finance, procurement, HR, ICT and property (as appropriate to the contract). The board ensures that all aspects of the project are addressed and will act on feedback from stakeholders.

The **project manager** is responsible for co-ordinating the project team and overseeing the delivery of the project on a day-to-day basis.

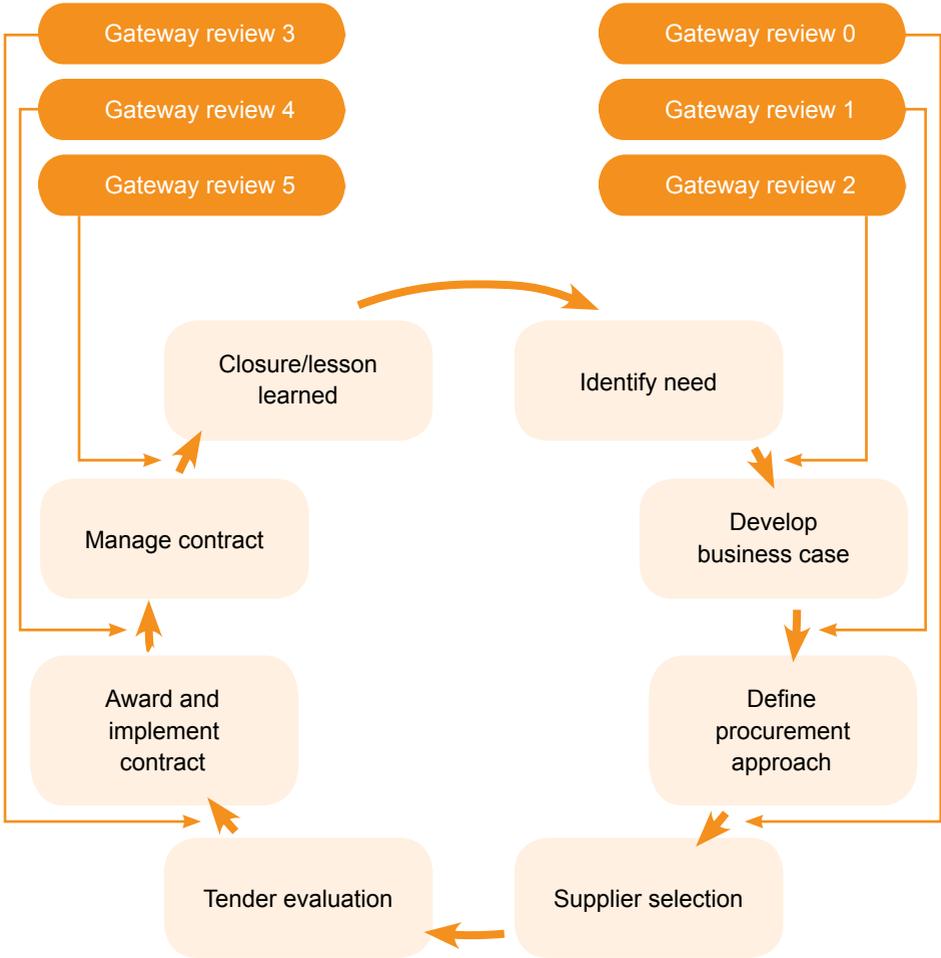
For major projects there must be a **dedicated** project manager with **delegated authority**. To manage without is a **false economy**.

# Project assurance

The key stages of the procurement process are shown in the diagram below together with an indication of how assurance can be

provided to councillors and senior management through gateway reviews.

Gateway reviews are offered to local government by Local Partnerships. Essentially, these



are independent peer reviews carried out at key decision points in the cycle.

The reviews provide management with assurance that the project is more likely to be completed on time and budget and to meet the client's requirements.

The gateway process is not an audit of a project but a tool to assist the project owner to deliver a successful project. Councils should decide to apply this form of assurance on the basis of the risks inherent in the project (Local Partnerships have developed a tool for this purpose). It is resource-intensive and not appropriate for every project.

Some critical success factors for procurement projects are shown in the table below.

## Critical success factors - procurement

- **Councillor involvement.** Executive direction and decisions on strategic projects; scrutiny and challenge of all major projects to ensure that they support corporate strategies.
- **Senior management involvement.** Prompt decisions on key issues; enabling access to resources outside the project team's immediate control.
- **Involvement of procurement professionals.** Includes experienced and qualified projects.

procurement personnel on project boards for major.

- **On-going monitoring of the project.** Full consideration given to corporate issues. Solutions and outcomes fit with the strategic direction and are of value to the council.
- **Clear objectives.** Defined at the outset. Keep the project aligned with strategic objectives such as delivering effective Social Value opportunities as part of the delivery process.
- **Pre-procurement market dialogue.** Supplier days and the like to engage the market and test the commercial viability of a proposed procurement e.g. a new service delivery model. Enables the market to gear up to

deliver the requirement.

- **Results focus.** Focus on delivering the right outcomes. Making sure that the process does not get in the way of success.
- **Good planning.** Realistic timescales and milestones for delivery; access to key people when required; effort focused in the right way when needed and documentation that is complete and correct.
- **Appropriate use of resources.** The right people for the job, not just the next available person. Full consideration of the skills and input required. Complete clarity about who should be doing what.
- **Empowered project manager.** Includes delegation of authority as necessary.

- **Stakeholder engagement.** Resulting in specifications that meet their needs and buy-in to the procurement project.
- **Effective risk management.** Risks to the organisation and properly evaluated.
- **Good quality.** For example, good design, complete and correct specifications.
- **Well-managed evaluation.** All of the appropriate people involved; appropriate criteria specified that meet the current needs.

## Contract management

Councillors should expect a similar degree of senior management ownership of ongoing delivery throughout the life of the contract (a ‘**contract owner**’) and a properly-resourced **contract management team** (services).

It is during the contract management phase that the benefits the council is paying for are actually delivered (or not). A ‘let and forget’ approach is never acceptable.

The foundations for success in contract management are laid during the procurement process. Critical success factors for this phase are shown in the table below.

## Critical success factors – contract management

- Requirements specified in **comprehensive specification** with identifiable and measurable outcomes (including service level agreements and key performance indicators)
- Involve the **contract manager** at the outset of the project
- Accurate understanding of the **service requirement, performance standards and any social value implications**
- Good **supplier selection against an effective award criteria**
- **Relationship** built during procurement process and actively managed
- Clear **roles and responsibilities**
- Good **knowledge** of the contract
- A **contract management manual** that explains key contractual provisions and documents key processes
- A good **document management** system
- Identification, allocation and **continuous management of risk**
- Focus on realising the **benefits** identified in the business case (outcomes), which also helps reduce costs
- Encouragement of **continuous improvement**
- Management of **performance shortfalls**
- Adequate tools to tackle **poor performance**

- **Continuity** of knowledge throughout the procurement and contract management phases.

## Strategic supplier relationships

Councillors need to know that the council has identified its **strategic suppliers** in terms of both spending and risk/dependency.

Recent **high-profile failures** by key suppliers to local government have made it more important than ever for councils to gain a deep understanding of the business of those suppliers which present the greatest risk (market and supplier intelligence) and to take early action where possible.

This is not just a task for the procurement process and the checks that are carried

out at that time. It needs to be continuous through the **contract management** stage.

## How do you maximize 'social value'?

Councils have always used their purchasing power (both grants and contracts) to obtain social, economic and environmental benefits for their communities and today, with money so tight, it is more important than ever to maximise the impact of every taxpayer pound that is spent (known as securing '**social value**' or '**community benefits**' from council spending).

The Public Services (Social Value) Act 2012, which came into force on 31 January 2013, enshrines this in law. Many people believe that social enterprises and voluntary organisations (or partnerships involving such organisations)

will win more council contracts as a consequence of the Act because they are better able to deliver social value.

Under the Act any council proposing to award a service contract or framework agreement for **services** above the financial threshold in the **EU rules** must consider how what they propose to procure will **improve the economic, social and environmental well-being of the area**. They must also consider whether they should consult about this.

Further, the council must consider how it will act to secure the improvement when undertaking the procurement.

So the first question is about **'what'** and the second question is about **'how'**. These are both considerations for the pre-procurement stage as government guidance makes clear.

Councils are free to decide 'what' they buy. This is a key consideration in the commissioning cycle for services (i.e. prioritisation, option appraisal and service design) and in procurement more generally. However, they do not have a completely free hand when it comes to the 'how' (i.e. the procurement) because they must still comply with the **EU rules**.

The LGA/LP 'Buying into Communities' guidelines explain how social value can be taken into account within the rules. In the context of the local growth agenda, the guidelines advocate a strategic approach to recruitment, training and supply chain opportunities in council contracts. For example, they look at how contracts can be used systematically to increase the number of apprenticeships and to create work for small firms that contribute to local economies.

Tools include 'social' specifications and contract performance conditions together with charters and voluntary agreements. There is also an opportunity at the shortlisting stage to consider the track record of bidders on social value. A similar approach can be taken to other social considerations including equalities and the living wage.

As a general principle, if councils want to evaluate proposals in regard to social value when they assess competing bids they must set out their requirements in the contract specifications and agree corresponding social criteria for tender evaluation.

**Myth.** 'Social' criteria cannot form part of tender evaluation criteria due to the EU rules.

**Reality.** The EU itself has published guidance on how social considerations can be taken into account in procurement including the use of social criteria when evaluating tenders.

# Questions to ask

## Strategic approach

Here are some questions that councillors might ask about their organisation's corporate arrangements for procurement –

- How much are we spending as a council?
- What are we spending the money on (categories)?
- Who are we spending the money with?
- Are we maximising our use of professional buying organisations and other collaborative arrangements (framework agreements)?
- Are we clear who our strategic suppliers are?
- Are we getting value for money in the major categories?
- Are we getting the outcomes (results) we want?
- Do we have a strategic approach to improving value for money by category?
- Do we have a strategic approach to social value linked to our contracting activity?
- Do we have the necessary procurement skills?
- Have we adopted procurement best practices?
- Are our procurement processes 'Lean', proportionate, un-bureaucratic and easy for suppliers to understand and follow (especially small firms and the voluntary sector)?
- Do we deliver major projects successfully?

- How well do we manage contracts?
- How well do we monitor our higher risk suppliers?
- Are our relationships with suppliers good?
- Have we considered social value at the pre-procurement stage?
- Have we consulted the market?
- Can we afford it?

## Major projects

These are some questions councillors might ask at the relevant points in the procurement cycle for a major project -

- How have we identified needs?
- Do we know if service users and other stakeholders are satisfied?
- How good is the current service?
- What outcomes (results) do we want?
- What budget is available?
- Have all the options been considered?
- Are there suppliers that can do it?
- Is this the first time it has been done?
- Is the timescale realistic?
- How are we packaging it?
- What service standards are we setting?
- How will service standards be measured?
- What social value will be delivered?
- How are we addressing equalities?
- How is health and safety built in?
- Will we meet our environmental objectives?
- Have staff been consulted?

- Who will be in charge of the project?
- Have we got the people to do this?
- How will we control risk?
- Does this project affect anything else we are doing?
- What will happen if things change during the contract?
- What incentives are there to perform well/reduce costs?

## Jargon buster

Category management

Systematic approach to the development of category-specific sourcing strategies and plans based on analysis of demand and supply in major spend categories.

Commissioning

A cycle of activities including strategic planning, budgeting, procurement and performance management. Originated in health and social care.

Community benefits

An alternative term for social value. See below.

Contract performance condition

A special contract condition. One of the ways in which social value requirements can be incorporated into contracts in compliance with EU rules.

|                            |   |
|----------------------------|---|
| Framework agreement        | An agreement (which may or may not be binding) between the council and one or more suppliers establishing terms for the award of contracts over a specified period (not normally exceeding four years). |
| Gateway review             | A way of providing assurance to senior managers that a procurement project is on track for successful delivery.   |
| Market sounding/engagement | Engagement with suppliers pre-procurement to test commercial viability and enable the market to gear up for the procurement.  |
| Pre-procurement            | The stage before publication of the (OJEU) notice formally commencing the procurement.  |
| Senior responsible owner   | The senior manager responsible and accountable for the successful delivery of a major procurement project. May chair a project board.   |
| Social criteria            | Criteria used to evaluate tenders which relate to social value.   |

Social value

Social, economic and environmental benefits additional to the main commercial purpose of a contract.

Spend analysis

Analysis of how much is spent, on what and with whom (third parties).

Strategic supplier

A supplier is classified as strategic on the basis of the value of spend with them and the risk/dependency they present for the council.

# Further reading

## Local Government Association and Local Partnerships

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## Acknowledgements

LGA and Local Partnerships  
would like to acknowledge  
the support of the National  
Advisory Group and of Lee  
Digings Associates in the  
production of this guide.





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L13-567