

CORE GLA PROCUREMENT STRATEGY

The core Greater London Authority (GLA) is a £30 million organisation providing strategic leadership to London. It has a directly elected Mayor who has a statutory duty to develop regional strategies for London. The GLA has Transport for London (TfL), the London Development Agency (LDA), the Metropolitan Police Service (MPS) and the London Fire and Emergency Planning Authority (LFEPA) all linked to it as functional bodies. This family of organisations together provide a powerful base for corporate purchasing with a total budget in the region of £3 billion across the functional bodies.

The core GLA is a small organisation charged with influencing the economic, social and environmental well-being of London. It will best undertake its strategic role by setting out strategies for change and monitoring progress. In some areas (such as planning and culture) it will deliver services directly; however, in most instances it will need to commission or procure services to enable implementation of its role.

The role of procurement in achieving the Mayor's vision for London
The procurement strategy will contribute to the achievement of this vision by:

- encouraging collaboration across the GLA family to deliver best value services
- encouraging joint procurement initiatives with the GLA family wherever appropriate to secure economies of scale
- influencing employer practice by supporting fair employment terms in all procured contracts
- actively supporting supplier diversity initiatives
- actively supporting environmentally sound provisions in all procured contracts
- providing a sound competition policy guiding decisions on in-house or externalised service provision based on best value and quality

MECHANISMS

The GLA has developed a procurement code which sets out its detailed organisational procedure for procuring goods and services.

The code sets out:

- the financial thresholds for purchasing goods and services and by what method
- the GLA's standard terms and conditions of contract
- the procedure for opening tenders, evaluating them and letting contracts
- the non-commercial considerations that need to take place in advertising tenders and tender evaluation



The GLA has also established a Procurement Strategy Group at SMT level to take responsibility for the Authority's procurement objectives.

PROCUREMENT OBJECTIVES

The GLA's procurement objectives are to:

- purchase goods and services from suppliers that provide best value for money, including through e-procurement
- purchase goods and services from suppliers that operate sound environmental policies and whose national and international practice is ethically sound
- purchase goods and services from suppliers who have a commitment to equality of opportunities for their workforce and their customers
- nurture a wide range of small and medium-sized enterprises representing London's diverse communities and encourage them to tender for GLA contracts
- develop value for money partnerships with expert businesses to provide high-level management consultancy to the GLA

- secure its purchase of goods and services as fast and efficiently as possible
- use the collective bargaining power of the GLA family to secure economic high-value purchases
- secure fair employment terms and conditions of service for employees delivering in-house or externalised services

ACTION PLAN

The GLA will achieve these objectives by:

- establishing and maintaining a select list of providers of goods and services to ensure fast track and open procurement procedures for smaller-scale contracts
- joining the SCATT scheme to enable fast track and open procedures for larger-scale contracts
- integrating its environmental and equal opportunity policies within its procurement code; including building in clear tender evaluation criteria
- consulting with London business representatives on its overall procurement strategy
- monitoring and reporting on its letting of contracts so that a clear picture of spend across businesses is available for audit and review
- following best practice on nurturing supplier diversity
- devising an annual plan of high-level consultancy requirements and tender for an annual partnership arrangement
- issuing and following best practice guidance on fair employment provisions in procured contracts

GOOD PRACTICE

The GLA subscribes to established principles of good procurement, namely:

- the procurement process should give the GLA sufficient information to form a view of potential service providers' competence but without placing undue burden on them
- potential service providers should understand clearly from the outset what categories of information and service standards may be expected; they will be provided with adequate, accurate and timely information at all the relevant stages of the procurement process
- all potential service providers will be subject to the same requirements to ensure fair competition and be treated equally throughout the procurement process
- care will be exercised to avoid taking too narrow a view of how the service might be delivered as this may limit the options and deter potential providers
- in order to be able to demonstrate that procurement has been undertaken in an open and transparent manner, the GLA will ensure that bidders are fully aware of the basis for bid evaluation and that all stages of the procurement process can be audited satisfactorily with reference to a clear, written policy on evaluating tenders and awarding contracts, which is publicly available and made available to all bidders

COMPETITION POLICY

The GLA has no presumption on the best mode of service delivery, whether this is through in-house services, externalised services or partnership arrangements.

Its policy is to:

- procure contracts through open competition
- determine contracts based on best value, quality and the most effective delivery of the service

For high-risk/high-value contracts serious consideration must be given to a partnership arrangement. A 'mixed economy' of service provision (ie a number of providers and/or forms of service delivery) is likely to provide the optimal solution for best value in the GLA.

Where it is established that a service is materially not competitive, and is likely to remain so, or it has consistently failed to meet agreed performance improvement targets, some form of alternative service delivery will be explored. Where it is found that there is no viable supply market for a service the Authority will explore ways of encouraging new providers, such as working with other best value authorities, with social or voluntary enterprises or re-packaging services.

Existing partnerships and/or contracts are not exempt from the competition requirement and will be reviewed regularly (normally at least once every three years) to assess whether they deliver best value or whether changes should be made.

GREEN PROCUREMENT

The GLA shall seek to minimise the environmental impact of its purchases/procurement through enforcement of a comprehensive environmental purchasing policy. It will endeavour to ensure that all suppliers and contractors have environmental policies and wherever possible are working towards EMAS or an equivalent.

The Authority will seek to ensure that in all contract work the environmental dimension is fully taken into account, not as an add-on, but as an essential, integral part. This will entail specification drafting, appropriate pre-tender and tender evaluation criteria and contract conditions that give adequate prominence to the environmental dimension.

Adequate contract monitoring methods will be established to ensure that the desired environmental impact actually takes place.

EQUALITIES

The Authority will encourage applications for inclusion in its tendering processes from all of London's diverse communities. It will endeavour to appoint contractors who are committed to promoting equality of opportunity in their own employment practices and service delivery methods and who can demonstrate the ability to assist the GLA achieve its statutory responsibilities in this important area.

Monitoring will take place on the diversity of businesses securing GLA contracts and fair employment provisions will be required in all GLA contracts.

Risk management of contracting with suppliers with no track record will be explored. This will ensure, for example, that previous experience outside this country is not necessarily ignored or that suppliers without long-term experience but demonstrating capability are not ignored. In this regard the need to demonstrate financial and economic standing by requesting three years' final accounts will be reviewed to introduce some flexibility and avoid discriminating against smaller and new suppliers, including those from black and ethnic minorities who might otherwise be disadvantaged.

FAIR EMPLOYMENT

The GLA does not wish to see procurement or outsourcing of services driving down terms and conditions of service for employees.

The GLA will therefore invite tenders from contractors who are prepared to employ the staff engaged on the contract work on terms and conditions of service which are no less favourable than those of the GLA. For this purpose, terms and conditions of service shall include all provisions relating to salary, benefits, entitlements, hours of work, holiday rights and pension rights.

The GLA will consider such tenders in so far as they are compatible with achieving best value.

TRAINING AND ADVICE

The Authority will need to develop new skills and capacities to better understand and explore supply markets and to make use of innovative procurement processes. Such training will complement the current training on the Authority's Contracts Code.

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Expert public procurement consultancy for Buyers and Suppliers at your service



PASS – HELPING YOU MEET KEY OBJECTIVES

The key objective of public procurement professionals is to ensure that the most suitable supplier is selected to provide goods and services on terms which are likely to offer the best value for money. The PASS service helps you meet this requirement and deliver contracts that offer best value-for-money terms with suppliers who will execute them efficiently.

PASS CONSULTANCY

BiP's Procurement Advice and Support Service (PASS) provides organisations with access to experts in public procurement practices and procedures, thus helping you develop and deliver effective and efficient procurement. Our team offers a range of services to meet your specific needs. Whichever area you wish evaluated and improved, we have the experts to help.

The PASS consultancy's mission is to help you deliver the best in government procurement through:

- Practical solutions to improve procurement performance
- Innovative approaches to knowledge transfer within government
- Joined-up government
- Improved performance indicators
- Strategic direction and performance
- Opportunities offered by e-government
- Capacity to deliver change to meet identified needs
- Continuous improvement of services and challenging poor performance
- Sustainable development within decision-making processes and delivery of services
- EU-compliant processes
- Best practice procurement training

PASS TRAINING

Our consultants can provide you with bespoke training packages to suit your needs. Consultancy and training is available for the following: environmental purchasing, partnering, evaluation, e-government, supplier debriefing, UK legal processes and precedents, contract management, EU-compliant tendering and much more.

PASS ONLINE GUIDANCE

The PASS service provides online guidances on all aspects of the public procurement process and legal requirements: www.bipsolutions.com/html/briefing.php

PASS – EFFECTIVE DISPUTE MANAGEMENT

Contractual and procurement-related disputes are time-consuming, expensive and unpleasant. They can destroy client/contractor relationships, can add substantially to the cost of the contract, and can nullify some or all of its benefits or advantages. They can also have an impact on value for money. It is therefore in everyone's interest to work at avoiding disputes in the first place. Inevitably, however, disputes do occur and when they do the importance of a fast, efficient and cost-effective Alternative Dispute Resolution (ADR) procedure cannot be overstated. If a dispute arises, it is important to manage it actively and positively and at the right level in order to encourage early and effective settlement. Unnecessary delays and inefficiency can lead to rapid deterioration in relations and entrenchment of opinions. ADR through PADRE mediation involves the use of a trusted expert third party and is an effective alternative to litigation. PADRE mediation is provided by experts in contracting and public procurement. If you would like more details on how PADRE can help your organisation and become your mediation service of choice, telephone the PASS team on 0845 270 7055 or email pass@bipsolutions.com.

PASS HEALTH CHECK

The PASS service can help your organisation examine its current procurement organisational structures, strategies, processes, practices and related strengths and weaknesses. It delivers a detailed PASS Mark Health Check Outcome Highlight Report (OHR) that outlines areas of strength as well as those requiring further attention, and provides an outline Project Initiation Document (PID) designed to deliver a more effective and efficient tendering process that will help you achieve optimum performance and better value-for-money procurement.

PASS IN-HOUSE PRESENTATIONS

PASS consultancy can provide you with in-house presentations directed to buyer or supplier. Each presentation will be bespoke to your requirements, whether they be with regards to improving your tendering practices or your procurement strategy or processes. Contact: pass@bipsolutions.com



The PASS Mark Health Check is a process-based evaluation technique that helps identify how your company can develop more effective processes when tendering for public sector contracts.

For further information on the PASS service, contact our PASS Team on 0845 270 7055, email pass@bipsolutions.com or visit www.bipsolutions.com/pass/