

# **London Borough of Sutton Procurement Strategy 2023-2027**

September 2023

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# 1. Background

- 1.1. The procurement strategy sits within the Council's [Commissioning Framework](#). Procurement activity takes place during the 'do' stage of the cycle. It should be noted however that any potential procurement activity should be considered and planned during the planning stages of any Commissioning activity.
- 1.2. Procurement is defined as the process of acquiring goods, works and services, covering both acquisitions from third parties and by services provided by the Council (internal stakeholders). The process is part of the Council's commissioning framework which spans the whole life cycle from identification of needs, through to the end of a services contract or the end of the useful life of an asset. It involves options appraisal and the critical 'make or buy' decision.
- 1.3. The Council spends some £175+ million each year with outside suppliers and service providers and therefore it is essential that this money is spent effectively in a way that maximises the Council's spending power and is consistent with the achievement of the Council's overall priorities and objectives. To this end our procurement strategy must also recognise the wider social objectives the Council wishes to pursue, in relation to equalities and diversity, support for local businesses, social enterprises and the voluntary and community sectors and encourage innovation.
- 1.4. This procurement strategy is an important document to clarify and inform officers, members and suppliers - both current and potential of the Council's ongoing aims to obtain the best outcomes through compliant, cost effective and commercially based procurement.

## 2. Context

- 2.1. This procurement strategy sets out the London Borough of Sutton's overall aims and objectives in relation to procurement for the Council in line with three key drivers.

1. [Corporate Plan: Ambitious for Sutton 2022 - 2027](#).

**The six key priorities are:**

- Action on climate change where Sutton will be a sustainable, green borough, with everyone taking responsibility for their impact on the environment.
- An inclusive place for everyone where Sutton will be a place where people from all backgrounds feel included and get on well together, with support for our young people, families, older people, and vulnerable residents.

- Having quality and affordable housing where more people in Sutton will live in safe, high-quality, and affordable homes.
- Strong and fair economic growth where Sutton will have more quality jobs and thriving local businesses.
- Campaign for quality services where the Council will continue to seek the best possible deal for Sutton's residents, communities and businesses on health, transport, the economy and the environment.
- An efficient and well run Council which will continue to deliver the best possible services within the resources available, making the most of its assets, workforce and digital innovation.

2. Our [Medium Term Financial Strategy](#) sits alongside our new corporate plan as part of our overarching strategic framework for the Council. It sets out our current financial position and the risks, opportunities and cost drivers that will influence this over the next 4-5 years. It explains how we intend to respond to the major challenges ahead, and the principles we will adopt in managing and using our financial resources to get the most out of the funds we have available.

3. The [National Procurement Strategy for Local Government 2022](#) was launched at a time of many opportunities and pressures on council procurement and tasked with delivering both economic and social value to our communities. The role of procurement in local government remains pivotal in maximising these opportunities through our supply chains and managing the challenges faced by our sector and our communities. Third-party spend is increasing, as is the reliance on procured goods and services, with local government remaining a significant commissioner and purchaser at both a place and aggregate level across all key spend categories.

2.2. At Sutton we are committed to linking our procurement strategy with an emphasis on supporting the three focussed themes set out by the National Procurement Strategy 2022:

**Showing leadership** - How we engage with councillors, senior managers, working with partners and strategic suppliers.

- Exploring the best way for councillors/partners/managers to champion procurement and commercial matters and having clearly defined roles and responsibilities. Engaging with them through attendance at meetings such as DMT, partnership forums etc and keeping them aware of what's coming up, being worked on and procurement priorities.
- Working collaboratively with neighbouring boroughs; sharing best practises and tried and tested approaches.

**Behaving commercially** - Creating commercial opportunities, managing contracts, relationships and strategic risk through the implementation of effective contract management practices.

- Achieving Value for Money (VfM) across all of the Council's procurements and during the lifecycle of a contract
- Forward planning for contracts has developed to form an integral part of the organisation's budget setting and expenditure forecasting process.
- Market research, supplier analysis and benchmarking and making sure our tendering opportunities are focused on innovation and opportunities.

**Achieving community benefits** - Creating social value, engaging with SMEs and VCSEs to actively support local sourcing and economic growth of suppliers in our borough.

- Working with our partners to have a 'one team' approach to the design and implementation of solutions for requirements. This way we have the best use of limited resources and can lead to innovative solutions and better results. We can look at how best council departments work together and how we work with other councils and key community organisations such as, health, fire, police, housing, voluntary, social enterprise and VCSEs.
- Social value is mapped to location of delivery and measured as a part of the evaluation criteria and outcomes updated to build on stakeholder feedback. Specific social value commitments are sought from tenders that have taken into consideration what the residents need.

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## 3. Strategic Aims

- 3.1. Whilst the Council recognises that the key priority is to achieve Value for Money (VfM) across all of the Council's procurements and during the lifecycle of a contract, this procurement strategy will also be a tool for the Council to support strategic opportunities and challenges to deliver the corporate plan. It will support the Council's procurement activities whilst keeping in mind the importance of key themes such as sustainability, equality and diversity, and being ethically sound.
- 3.2. **Ethical Procurement: Building the Living Wage into procurement** - The Living Wage is an estimate of the minimum hourly rate of pay needed for a worker to cover the costs that most people would regard as necessary for a basic standard of living. Every November, the Living Wage Foundation announces two new Living Wage rates - one for London and one for the rest of the UK. The rates are calculated by the Resolution Foundation and are currently set at £11.95ph in London and £10.90ph across the rest of the UK.
- 3.3. Unlike the legally enforceable National Minimum Wage, whether to pay the Living Wage is a voluntary decision for an employer and is something the Council is committed to achieving formal accreditation for.
- 3.4. Paying the real Living Wage is not only good for our employees' financial wellbeing, it's also good for business too. According to the Living Wage Foundation, 86% of accredited employers said it had improved the reputation of their business, while 75% said it increased motivation and retention rates.
- 3.5. The Council believes that a supplier's approach to fair working practices, including paying the real Living Wage, can have a positive impact on the quality of goods, works and services in a public contract. We expect suppliers delivering public contracts to adopt and demonstrate appropriate fair working practices, for all workers engaged in delivering the public contract.

- 3.6. **Ethical Practices** - The Council seeks to work with suppliers who can evidence high standards of ethical conduct within their organisation and across their supply chains. Procurement processes at the sourcing stage seek to determine that suppliers are able to evidence that policies and processes are in place ensuring the fair treatment of employees and promoting equality and diversity. Continuous quality assurance processes throughout the contract period is essential to ensure that ethical practices are maintained.
- 3.7. **Equalities in procurement** - Equality and Diversity is well-embedded into Council practices and always forms part of our thinking in our decision-making processes. The Equality Act, which came into place on 1 April 2010, replaces all previous equality legislation and introduces a Single Equality Duty for the Council and other public authorities. The Equality Duty requires public bodies to consider all individuals when carrying out their day to day work – in shaping policy, in delivering services and in relation to their own employees. It therefore has important implications when procuring services.
- 3.8. The Single Equality Duty has three aims. It requires the Council to have due regard to the need to:
- eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act;
  - advance equality of opportunity between people who share a protected characteristic and people who do not share it. A protected characteristic can be age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, gender, sexual orientation. In addition Sutton has committed to also adding care experienced as a protected characteristic.
  - foster good relations between people who share a protected characteristic and people who do not share it.
- 3.9. This means that we must consciously think about the three aims of the Equality Duty in the decisions we reach. This includes thinking about how we design, deliver and evaluate services and how we commission and procure from others. Third parties who deliver services on our behalf must comply with the Equality Act and it is the Council's responsibility to ensure this. It is a duty that cannot be delegated.
- 3.10. **Sustainable Procurement** - Environmental/sustainability consideration is to be embedded at the outset of any commissioning and procurement activity and monitored throughout the life of the contract.
- 3.11. There are departments/contracts where environmental issues may not be an obvious consideration given the nature of the contract, however there is continued encouragement and focus on collaboration between commissioners, CPU and the Environmental Strategy

team to ensure that the appropriate sustainable considerations are covered in specifications and evaluation particularly on the high value key contracts.

- 3.12. It is intended that by setting out the Council's overall approach to procurement that we create a clear, transparent strategy for procurement which is clear for Members and officers and to inform suppliers - both current and potential. The strategy details the principles that Sutton will adopt for the future procurement and provision of services and sets out a number of key areas of work that will support achievement of the Council's overall aims.
- 3.13. Social value and supplier diversity** To ensure added social value is being discussed at the earliest stages, all the Council's procurement documentation, templates and online systems have been updated. The CPU will also review the added social value achieved from the Council's services and contracts to ensure that this strategy is being delivered and translated into the services used by residents. An example of this would be to support the promotion of apprenticeships for care leavers.
- 3.14. A key focus will be the monitoring of added social value through contract management. As part of the new procurement bill being introduced post Brexit, contract management will be one of the key focus areas. The Council will review its approach to contract management with the aim of improving ongoing reporting on key performance indicators, alongside the contractual reporting of added social value to be included in this review to ensure that it is built into the Council's standard reporting processes.
- 3.15. As a starting point 10% weighting, out of the total 100% used to evaluate providers, will be allocated to added social value. This not only sets an expectation on officers and providers to consider the impact of added social value during the commissioning and procurement process, but will also ensure the impact is meaningful.
- 3.16. The Council's [Added Social Value Strategy 2020](#) has been set to embed the achievement of added social value into all stages of service and contract delivery and link this to Ambitious for Sutton.
- 3.17. The Council recognises that supplier diversity is important both in terms of competitive sustainable markets and supporting the local economy. The Council will actively encourage competition from a wide range of providers including:
- commercial sector organisations both big and small
  - the voluntary, community and social enterprise (VCSE)
- 3.18. **Supporting the Local Economy and Local Supplier Chain** - The Council will look at its processes and procedures to reduce barriers to doing business with the market especially in relation to Small and Medium Size Enterprises (SMEs), local businesses, voluntary sector organisations and social enterprises.



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Supporting the local economy and local supply chain can have a wide range of positive impacts that extend beyond financial gains. Here are some of the key benefits:

- **Economic Growth and Job Creation**  
Supporting the local economy stimulates economic growth by keeping money circulating within the community. When local businesses thrive, they generate revenue, create jobs, and contribute to overall economic development.
- **Increased Employment Opportunities**  
Local businesses are more likely to hire from the local workforce, leading to increased employment opportunities for residents. This can reduce unemployment rates and improve the livelihoods of community members.
- **Enhanced Resilience and Stability**  
Relying on local suppliers and businesses makes the community less vulnerable to external shocks and disruptions in the supply chains. This resilience becomes crucial during crises such as economic downturns.
- **Strengthened Social Identity**  
A thriving local economy fosters a sense of pride, belonging, and ownership among residents. It strengthens the community's identity and encourages people to invest in their shared future.
- **Innovation and Entrepreneurship**  
Local businesses are often more attuned to local needs and can innovate solutions that address specific community challenges. Supporting local entrepreneurship can lead to the development of unique products and services.
- **Stronger Relationships and Collaboration**  
Engaging with local suppliers fosters closer relationships and collaboration between businesses and community stakeholders. This spirit of cooperation and collaboration can lead to mutually beneficial outcomes.
- **Attraction of Investment**  
A thriving local economy can attract outside investment and businesses interested in tapping into a vibrant market. This, in turn, can lead to further economic growth and opportunities.

3.19. In summary, supporting the local economy and local supply chain goes beyond financial gains. It has far-reaching positive impacts that contribute to community well-being, resilience, identity, and growth.

- 3.20. The Council's Contract Standing Orders require that, when selecting suppliers to quote, preference should be given to local suppliers for all contracts between the value of £5001 - £100k. The minimum number of organisations invited to tender is three organisations, including a local organisation, where a local market exists. For contracts with a value below £5k, where contracts can be awarded without competition, it is encouraged for these to be given to VCSE and local suppliers. This does not mean that we should automatically use local suppliers for all low value contracts, as there is always a value for money consideration. It does, however, provide a route to maximise opportunities for local suppliers.
- 3.21. There is also the commitment to track and monitor local supplier spend and to actively increase opportunities for entrepreneurship. This will help new and/or small businesses to grow, supporting higher economic growth and greater business creation, actively encouraging spending within the local community and building a diverse supplier network in helping the economic growth of local businesses.

## 4. Commercial & Procurement Unit (CPU)

- 4.1. The CPU will provide necessary professional expertise, management information and solution focused advice.
- 4.2. The overall aim is for the council's approach to procurement to ensure that the council maximises the best use of its resources while at the same time meeting wider social objectives.

To develop a procurement model across all services that is:

- Compliant
- Commercial
- Cost effective
- Provides greater challenge

- 4.3. **Compliant** - Procurement principles should be applied consistently across all procurement with common processes which are understood by both officers of the Council and those expressing interest in and tendering for Council contracts.
- 4.4. All procurement and purchasing must be compliant with the Public Contracts Regulations, the [Council's Contract Standing Orders and Financial Regulations](#) and is transparent and open to scrutiny.

- 4.5. A summary of thresholds for services and supplies ([excluding services set out within Schedule 3 of the PCR 2015](#)) are set out below:

| Estimated Value       | Advertising Requirement   | Minimum number of organisations to be invited to tender   | Tender Procedure   | Authorisation required for Contract Award                                |
|-----------------------|---|---|--|--|
| Up to £5,000          | N/A   | N/A, however, you must be able to evidence best value achieved  | N/A  | Head of Department   |
| £5,001 - £100,000     | E-Tendering Portal and Contracts Finder, if £30,000 and above. Plus Trade Journal where appropriate (Optional)                      | Three organisations, including a local organisation, including a local organisation where a local market exists. If no market exists then advertised "open" for RFQ and a minimum of 3 suppliers invited for a quick quote. | Quick Quote (Request for Quotation (RFQ) if quality weighting required for evaluation)                 | Assistant Director to award  |
| £100,001 - £189,330   | E-Tendering Portal and Contracts Finder. Plus Trade Journal where appropriate (Optional).   | N/A open procedure  | RFQ  | Strategic Director to award  |
| £189,330 - £1 million | The Government <i>Find A Tender</i> site, E-Tendering Portal and Contracts Finder. Plus Trade Journal where appropriate (Optional). | A minimum of five organisations who express interest must be formally asked to tender   | Public Contract Regulations 2015 above threshold compliant procedure, Open/Restricted<br><i>Others</i> | Strategic Director in consultation with the Section 151 Officer to award |
| Over £1,000,000       | The Government <i>Find A Tender</i> site, E-Tendering Portal and Contracts Finder. Plus Trade Journal where appropriate (Optional). | A minimum of five organisations who express interest must be formally asked to tender   | Public Contract Regulations 2015 above threshold compliant procedure, Open/Restricted<br><i>Others</i> | Relevant committee to award  |

Note: Different thresholds apply to constructions and also social care contracts.

- 4.6. The procurement function of the Council sits under The Strategy and Resources Committee which is one of four committees responsible for the Council's principal functions.
- 4.7. **Commercial and cost effective** - As part of our consideration of commercial delivery and policies and procedures, we adhere to the following principles, practices and guidance in our organisation.
- Publication of procurement pipelines to look forward to at least 24 months
  - Publication of the contracts register of existing contracts
  - Market health and capability assessments where projects should undertake market assessments, to determine the health of the relevant market and consider how the commercial strategy and contract design could be set to address potential market weaknesses
  - Delivery model assessments (also known as Make versus Buy), where we should conduct a proportionate delivery model assessment before deciding whether to outsource, insource or re-procure a service through evidenced based analysis
  - Complex projects should produce a cost model to be produced as part of the Delivery Model Assessment to estimate the total cost of delivering the service to protect us from low bid bias (when bid evaluators charged with comparing the qualitative parts of competing bids are aware of their prices, giving an unjust advantage to the lower bidder)
  - Risk allocation should be subject to scrutiny prior to going to market, with meaningful market engagement
  - The approach to pricing and payment works alongside risk allocation and should be subject to consideration and scrutiny to ensure it incentivises the desired behaviours or outcomes
  - Consider opportunities for working with other local authorities to deliver best value for money. By collaborating on procurement, contract and supplier management, we can make best use of commercial and procurement skills, benefit from economies of scale, achieve efficiencies in the use of resources and realise savings and wider community benefits
  - Implement effective and appropriate contract management practices including having relevant and measurable KPIs and performance management measures that are relevant to the service objective and proportionate to the size and complexity of the contract
- 4.8. Specified requirements should not be over prescriptive and where possible expressed as outcomes. The use of outcome specifications can effectively transfer risk from the Council to contractors who are better placed to manage it effectively. This will enable the market to use their commercial expertise to bring forward innovative and efficient ways to deliver better services at better cost. Supply should be aggregated to achieve economies of scale

and services which have synergy incorporated together in single procurements where possible to increase interest in Council contracts from the market.

- 4.9. In the current financial climate especially we are looking to reduce costs. Price will be an important criterion in all procurement processes. To achieve cost effectiveness the Council is committed to competitive tendering for the award of all contracts for works, supplies and services. At the same time procurement methods also need to be cost effective and the use of the electronic procurement system will be mandatory. Framework agreements and collaboration with other public bodies will be used, where possible, to reduce the cost of procurement.
- 4.10. **Greater internal challenge** - Rigorous commissioning processes to establish need and determine required outcomes are required in the first place. All proposed procurement projects and decisions to spend with third party organisations will be subject to scrutiny and challenge by the Commercial and Procurement Unit and the relevant internal management team based on the scoring derived from following the [Procurement Governance](#).
- 4.11. The purpose of the Procurement Governance Framework is to create oversight at appropriate levels which will focus on those contracts/procurements which need to be prioritised based on a consideration of value, complexity and risk.
- 4.12. An assessment of risk/opportunity will be carried out for each item on the pipeline. The CPU, supported by the lead commissioner/contract manager, will present risk scores for consideration and agreement by the Directorate Management Team (DMT).
- 4.13. All pipeline items that are deemed as high risk and/or high opportunity, which would not be limited to value and/or political sensitivities, will be presented to the Corporate Management Team (CMT) at an early stage allowing for scrutiny at a senior level and for key decisions to be collaborative.
- 4.14. The role of the CPU is to be responsible for and develop strategy, governance, guidance, compliance, consistency, commercial focus and cost effectiveness across the whole procurement of the Council. The CPU will be a key member of project teams on major procurement projects. The CPU will challenge directorates regarding procurement actions (or lack of) including quality of business cases for commissioning projects, consideration of collaboration, highlighting off contract spend and escalating non compliant procurement activity.
- 4.15. The CPU adopt a Business Partner approach whereby each Directorate is paired with a Senior Procurement Advisor who will work with the directorate to:
- Develop a Procurement Pipeline (using existing commissioning plans and contract registers as a basis) for each area. The procurement pipeline will cover a 24 month

period and will cover all existing contracts in place and work alongside Directorates to update with ad hoc procurement/commissioning requirements. These will need to look in detail over the next 6 months outlining all procurement activity and the proposed route - Quick Quote, Request For Quotation (RFQ), Framework etc and also have a longer term view beyond this.

- Proactively provide procurement advice to directorates as required
- Assisting the directorate in maintaining/reviewing/interrogating the relevant contract register and spend analysis
- Attending the relevant DMTs / team meetings on a quarterly basis to discuss and review the above.

4.16. **Officer Responsibility and Procurement Projects** - The Council's commissioning approach gives individual managers the responsibility to commission services within the overall Procurement framework.

4.17. As part of that process managers are responsible for conducting procurement projects with the guidance of the CPU.

4.18. Directorates will be required to undertake the procurement of contracts in accordance with the governance requirements set out in Contract Standing Orders in a timely and compliant manner and to robustly manage those contracts to achieve the delivery of the specified outcomes and best value, supported by the CPU.

4.19. **Procurement Support** - The role of procurement support is to carry out procurement exercises, drawing on the technical knowledge of the CPU

- To ensure, by way of governance that all procurement exercises are carried out using the eTendering system and that procurement exercises are compliant with current legislation
- Reviewing, advising or assisting in the development and uploading of all tender documentation, using standard templates and the technical knowledge of service leads, and administering all processes on the system
- Enabling service areas to conduct below government-threshold procurement exercises (according to skills and capability) with CPU advice, supported by training programmes, guidance and templates available on the intranet.
- Conduct all above-threshold procurement exercises, working with a designated CPU Officer, to ensure the Council secures high quality contracts offering best value whilst observing current legislation and transparency requirements in order to reduce risk of any challenge to procurement activity and decisions
- Input into key procurement data and performance information, including the contracts register, spend data, and a central store of good practice procurement documents

- Support the Analysis of spending patterns to identify and jointly pursue collaboration opportunities with other Directorates and partners
- Identify procurement training and development requirements within the Directorate and work with the CPU to develop skills within the team. Attend the Commissioning Network and provide an update on new practices and challenges

## 5. Commercial and Procurement Unit Objectives

- 5.1. **Continual development of category management** - Category management helps to manage buying activity by grouping together related supplies and services across the Council and mapping them onto a supplier market. Through category management, decisions about what products and services are procured, how contracts are packaged and which suppliers are used are made on a category-by-category basis across the Council as a whole.
- 5.2. The CPU will provide analysis and management information and will advise Commissioners and procuring directorates on procurement, commercial issues and procurement methodology. Under the guidance of the the CPU, procurement project teams from the relevant groups will undertake the necessary procurement work to:
- Aggregate spend and realise savings
  - Rationalise the supplier base
  - Ensure optimum contract packaging to transfer risk to suppliers and increase commercial interest.
- 5.3. The CPU will interface with partner authorities on a sub regional basis to further take advantage of opportunities to:
- Aggregate spend across authorities and achieve economies of scale.
  - Manage and develop markets
  - Rationalise specifications
  - Rationalise the supplier base
  - Reduce/share procurement costs

**5.4. Improve Management Information to enable forward planning and decision making -**

The Council has adopted the Pro Contract electronic tendering system and all tenders are to be conducted through this system. Pro-contract provides a complete audit trail of tender processes which facilitates scrutiny. The system also has a contract register to record Council contracts which is maintained by the CPU. All newly procured contracts will be added as they are awarded, the contracts register is published on the [Council website](#).

5.5. Increased visibility of procurement spend will be achieved through the AnyData software which will enable the ready analysis of spend by category, supplier base, transaction numbers etc. down to individual invoice lines. This information will be of great value to identify where to prioritise procurement activity.

5.6. At the same time visibility of contracts, performance and spend will facilitate contract managers to renegotiate the cost, performance and methods of delivery of major contracts.

**5.7. Skills and capabilities -** Making sure the Council is confident in having sufficient capacity and capability to ensure tax payers' money is spent effectively and efficiently.

5.8. Benchmarking ourselves annually against relevant commercial and procurement operating standards and other comparable organisations. In benchmarking our procurement and commercial capability, we will consider the following:

- Whether commercial objectives are aligned to relevant policies and organisational objectives
- Whether governance, management frameworks and controls are integrated and appropriate to the commercial work and level of prevailing risk
- Whether work is undertaken and assigned to people who have the required capability and capacity to undertake it
- Whether business needs are adequately informed by the procurement strategy to determine when, and how to procure services and works
- Whether market conditions are sufficiently understood and procurement routes align with supply capacity and capability
- Whether contract management capability is sufficient and resources are proportional to complexity and risk
- Whether appropriate procurement systems and data reporting enables process efficiency, robust controls and effective decision making

**5.9. Routes to market -** The CPU will lead on establishing the most suitable route to market, based on an assessment of the value and the key outcomes that the procurement needs to achieve. This would include well established routes as well as more innovative approaches, including:



- Open - this is the main procurement route for above threshold procurements for services, goods or works contracts. A contract notice is placed on the government's (gov.uk) Find-a-Tender site and is open to any economic operator that wishes to submit a bid.
- Restricted - this is the second most popular procurement route for above threshold procurements for services, goods or works contracts . A contract notice is placed on the government's (gov.uk) Find-a-Tender site inviting interested parties to complete a selection questionnaire. The selection questionnaire is evaluated against published evaluation criteria and only those shortlisted are invited to submit a tender. This should only be used where there is a crowded market place
- Competitive Procedure with Negotiation - this is used for fairly complex procurements. A contract notice is placed on the government's (gov.uk) Find-a-Tender site inviting interested parties to complete a selection questionnaire. Only those shortlisted are invited to submit an initial tender which forms the basis of subsequent negotiation. Once negotiation is completed final bids are submitted. This procedure should not be used if there is a solution available via an open or restricted route.
- Competitive dialogue - this is also used for fairly complex procurements. A contract notice is placed on the government's (gov.uk) Find-a-Tender site inviting interested parties to complete a selection questionnaire. Only those shortlisted are invited to participate in dialogue. Once dialogue is closed final bids are submitted. This procedure should not be used if there is a solution available via an open or restricted route.
- Innovation Partnership - this is used for procurements where innovation is required to develop a product or service. A contract notice is placed on the government's (gov.uk) Find-a-Tender site inviting interested parties to complete a selection questionnaire. Only those shortlisted are invited to participate in the development of the service or product. The procurement process is combined with a Research and development contract. Authorities are able to purchase the 'end result' of the Research and development exercise, without having to undergo a new procurement procedure. Authorities may choose to appoint a number of partners to participate in the R&D phase, but may subsequently only purchase one/some of those solutions.
- Frameworks - frameworks can provide a quick route to market provided the authority is named on the contract notice and the contractor has been accepted on to the framework at the time of award. Rules to award the contract can vary, but there are generally two ways to award a contract from a framework; via a direct award to a single supplier without a competition, or by running a further (mini)

competition and awarding to the supplier that provides the best bid as measured by the evaluation criteria. One disadvantage of frameworks is that new suppliers cannot join after the framework is awarded.

- **Dynamic Purchasing Systems (DPS)** - Dynamic purchasing systems are becoming more popular across the public sector. They are similar to frameworks in that they offer a shortened route to market and involve competitions among suppliers that are listed on the DPS. There are two important differences. A DPS must be set up and administered as an electronic system and suppliers can join the DPS throughout the term of its existence.

**5.10. Improve contract performance monitoring and management** - The Council has high expectations of its contractors and suppliers to deliver quality goods and services effectively, efficiently, economically, on time and to the satisfaction of Sutton's residents and businesses. To ensure these expectations are met, strong contract management skills and procedures are necessary together with appropriate sanctions for contractors and suppliers if they fail to deliver as required. At the same time consistent, regular and productive communication between contract managers and contractors is required in order to achieve better outcomes and cost savings through innovation.

5.11. All contract managers are expected to manage the delivery of service proactively to ensure services are delivered to the required quality and develop sustainable relationships with suppliers to promote innovation and mutual respect and thereby achieve the best outcomes for residents and businesses. [The Commissioning Framework](#) provides contract management guidance to support the management of contracts.