

# LOCAL PURCHASING STRATEGY

June 2017



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## 1. Introduction

- 1.1 The City of Lincoln Council is committed to equality of opportunities for all those who wish to do business with us. However it also has a social responsibility to support local regional businesses and this has been the underlying principle behind the development of this strategy.
- 1.2 Local Purchasing is a preference to procure locally produced goods or services over those which come from further afield. However it has to be acknowledged that this is a difficult concept to apply as the definition of “local” is a very subjective one.
- 1.3 The issue of local purchasing involves a number of complex views with no clear consensus regarding what actually constitutes “local” spend. Some stakeholders see this as being within a town or city boundary, whereas others consider it to be within a county boundary. The commercial reality of local purchasing is that it varies widely dependent on the nature of the goods or services being procured.
- 1.4 There is also a potential for positive action supporting “local” spend to be substantially limited due to Public Contract Regulations 2015 which take account of EU directives. These do not allow procurement awards to be based on geographical location or allow favouritism to be shown to “local” businesses, as this may be seen as being discriminatory. However there are many ways in which local businesses and the local economy can be legitimately supported without contravening the Regulations.
- 1.5 In addition to supporting “local” the council is also committed to ensuring that small businesses (Small & Medium Enterprises) are effectively engaged when procurement opportunities arise.



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## **2**      **Definition of “Local”**

2.1      For the purposes of this strategy, local is defined as the following:

“those suppliers whose trading premises are located within Lincolnshire and/or a 20 mile radius of the county of Lincolnshire’s boundary”

2.2      The Council’s own Contract Procedure Rules (CPR’s) detail the various routes dependent on the value of the contract which officers must follow and when this strategy can be used.

2.3      Contracts with a value of up to £25,000 can be awarded by making a direct approach to a single supplier. Where possible any approach made should be to a local supplier.

2.4      Where the value of the contract is over £25,000 but under the current threshold for OJEU Goods & Services then a minimum of four quotations should be sort. Two of the quotations should be sort from a “local” supplier where possible.

2.5      Where the contract is in respect of Works and the value is over the OJEU threshold for Goods & Services (£164,176) but under that of the OJEU Works threshold (£4,104,394) then the process detailed in 2.4 will apply other than a minimum of five quotations should be sort.

2.6      For above value procurement activities the Council must comply with the following there is no allowance for the use of this strategy. However the use of the Social Value Policy can help maximise local spend.

## **3**      **Small & Medium Enterprises**

3.1      In addition to the “local” definition the Council is also committed to ensuring that small & medium enterprises (SME’s) are effectively engaged when a procurement opportunity arises.

3.2      Where the value of the contract is over £25,000 but under the current threshold for OJEU Goods & Services, then in addition to the requirement detailed in 2.4 above, all four suppliers invited should be a SME.

3.3      Where the contract is in respect of Works and the value is over the OJEU threshold for Goods & Services (£164,176) but under that of the OJEU Works threshold (£4,104,394) then in addition to the requirement detailed in 2.5 above, all five suppliers invited should be a SME.



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**For further information in respect of anything contained within this strategy please do not hesitate to contact us:**

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