



Procurement Policy Roadmap procurement policy process

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Procurement Policy

The procurement policy sets the direction for the City of Copenhagen's procurement activities and describes the overall framework for the municipality's diverse procurement of goods and services. The purpose is to enable politicians to set the direction for the City of Copenhagen by establishing the overall framework and identifying selected focus areas that will receive particular attention in the coming years. A new procurement policy is developed every 4 years after local elections. The following provides insight and an overview of the process involved in creating a new procurement policy in the City of Copenhagen

Step 1: Initial research and meeting with the management regarding the process.

The Office of Finance Management (Office for Corporate Finance & Procurement in the Center for Finance) is examining recent developments in procurement. This includes reviewing the old procurement policy and the political issues that have been raised continuously. The Office of Finance Management relies, among other things, on minutes from meetings of the City Council. Typically, the Finance Committee also approves the initiation of the work, and politicians set some overall expectations for the policy's direction and main focus. Additionally, the Director of Finance approves the timeline and process, as well as general content preferences.

Step 2: Involvement of interest organizations.

The Office of Finance Management holds meetings with various stakeholders, including interest organizations such as the Confederation of Danish Industry (DI) and Concito (Denmark's green think tank). At this stage of the process, the focus is primarily on engaging in a dialogue with external stakeholders to gather their experiences in collaborating with the City of Copenhagen in the procurement area, as well as their overall wishes for an upcoming procurement policy. Additionally, the changes in the market since the last procurement policy was developed are examined.

Step 3: Involvement of experts/professionals.

The Office of Finance Management contacts relevant experts in the remaining six administrations: Employment and Integration Administration (BIF), Children and Youth Administration (BUF), Culture and Leisure Administration (KIF), Social Administration (SOF), Health and Care Administration (SUF), and Technical and Environmental Administration (TMF). These experts are asked about developments in their respective areas and whether there are any specific topics that the administrations want to prioritize

more or less. It is also an opportunity for the Office of Finance Management to explore how new ideas and requirements can be incorporated into the policy without conflicting with operational considerations.

Step 3.1: Meeting with the Lord Mayor and the Executive Board to discuss preferences for the upcoming procurement policy

The Office of Finance Management has a meeting with the Lord Mayor and the Executive Management, where they present some initial ideas for themes and receive the Lord Mayor's initial input on policy topics. They also provide an update on the timeline and the process for involvement.

Step 4: Workshop planning

The planning of a workshop with the procurement and purchasing professionals from the administrations is initiated.

Step 5: Workshop is conducted

The workshop is held for the professionals involved in procurement and tendering. During the workshop, the gathered knowledge from interest organizations and experts who were involved in previous processes is reviewed. The Office of Finance Management presents selected topics for discussion with the professionals before commencing the work on drafting a procurement policy.

In this stage, the term "professionals" refers to a broader group than the individuals from the administrations who typically work on the strategic initiatives regarding the municipality's procurement. It usually includes employees from citizen service centers, administrative cooperatives, procurement categories, and more. The purpose is to gather input from employees who work in the field on a daily basis and can provide insights based on their own experiences or the overall perspective of their respective administrations. Representatives from all seven administrations are present, including units from the Office of Finance Management such as Corporate IT (KIT) and Copenhagen Properties & Procurement (KEID)

Step 6: Consolidation/Drafting

The Office for Corporate Finance & Procurement in the Center for Finance within the Office of Finance Management gathers the outcomes from the workshop, along with the inputs received from interest organizations and professionals. Based on this, an initial draft is prepared.

Step 7: Involvement of Departments

The first draft is sent for administrative review within the administrations before being submitted to the political committees for further consideration. This version, expected to be close to the final policy based on the earlier inputs, undergoes an administrative review within the administrations. The purpose of this review is to obtain professional input and gather feedback from the administrations.

Formally, it is the respective directorate of each administration that submits its response during the review process. However, the procurement organization is often involved in preparing the response.

Step 8: Drafting for the Lord Mayor

After the draft is prepared, it is presented to the Lord Mayor and the Executive Management in the Office of Finance Management. Feedback and suggestions are received from the Lord Mayor and the Executive Management, and changes are made to the draft based on their input.

Step 9: Presented to the Economic Committee

The draft procurement policy is presented to the Finance Committee, which formally sends it for consultation to the relevant specialized committees. During the Finance Committee's review, they may focus on whether the policy aligns with the initial guidelines they provided at the beginning of the process. They also consider whether the policy aligns with the overall political priorities and the focus of the City Council. This assessment often involves evaluating the policy's relevance and its alignment with the current political climate and the issues that concern the City Council.

Step 10: Specialist Committees

The draft policy is sent for consultation to the relevant specialized committees. Typically, the administrations prepare a proposal rooted in the procurement organization within the administration. The administrations draft a recommendation with a proposal for a consultation response, which is then discussed in the specialized committee. At this late stage in the process, where the draft has already been approved by the Finance Committee, the specialized committees may choose to address issues from the administrative consultation that have not been addressed but are perceived as critical by the administrations. The specialized committees can provide consultation responses on any topics, not necessarily limited to those mentioned in the administrative consultations. Additionally, the consultation response should provide the committee with a comprehensive understanding of the impact the new procurement policy will have on their specific area. For example, in the case of the Children and Youth Administration, it would involve addressing how the policy supports the operation of schools, institutions, etc.

Step 11: Processing of consultation responses

The Office of Finance Management reviews the consultation responses received from the specialized committees. As needed, the administrations are contacted to provide further clarification or elaboration on their consultation responses. It is the Office of Finance Management that assesses which change requests are accommodated. The consultation responses from all administrations are included as attachments when the policy is presented for final approval in the City Council (Borgerrepræsentationen).

Step 12: Three formal steps

Meeting with the Executive Management in the Office of Finance Management:

- The Executive Management is presented with an updated draft of the policy, and any specific issues or points of attention are highlighted

Presentation to the Lord Mayor and the Executive Management:

- The Lord Mayor and the Executive Management are presented with the updated draft of the policy, along with specific observations from the political consultation. The Lord Mayor typically expresses specific desires for changes

Finance Committee review

- The Finance Committee reviews the draft policy and provides comments before it is further processed in the City Council (Borgerrepræsentationen)

Step 13: Approval by the City Council

After the final draft has been submitted to the Finance Committee and approved, it is sent to the City Council (Borgerrepræsentationen) for final approval. In the recommendation, the Office of Finance Management (ØKF) will provide information about the extensive involvement that has taken place and summarize the political decisions on which the policy is based. Most politicians will have already seen the policy during the consultation process.

Step 14: Implementation of the new procurement policy

The draft of the procurement policy is finally approved by the City Council (Borgerrepræsentationen), after which it comes into effect the following January. In practice, the City Council can continuously adopt measures that gather a political majority. This typically happens based on political member proposals or during budget

negotiations where funding can be allocated to initiatives. The procurement policy does not contain specific requirements, allowing ongoing decisions regarding procurement requirements to be made without altering the overall policy framework.

The decisions made by politicians on an ongoing basis do not follow a process with a clear beginning and end - for example, requirements for plastic packaging, CSR attachments, food procurement, climate requirements, etc. In the new policy for 2023-2026, the Economic Committee (Økonomiudvalget) will, as something new, be presented with an annual follow-up on the initiatives in the policy.

In addition to the policy itself, there is usually a business case adopted for the procurement area. The Center for Procurement prepares the proposal for the business case, which undergoes an involvement process within the Procurement Circle and with the Procurement Partners before being submitted for approval in the Economic Circle. The business case includes the level of efficiency for the coming years and the organization of the procurement area.