



<b>Title</b>	<b>Procurement Progress update</b>
<b>For further information about this report please contact</b>	Mel Gillman – Procurement Manager
<b>Wards of the District directly affected</b>	All
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b>	No
<b>Date and meeting when issue was last considered and relevant minute number</b>	Finance & Audit 10/1/12 minute 111
<b>Background Papers</b>	

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	Yes
<b>Included within the Forward Plan? (If yes include reference number)</b>	Yes/No
<b>Equality &amp; Sustainability Impact Assessment Undertaken</b>	No (If No state why below)
No assessment as this is a progress report.	

<b>Officer/Councillor Approval</b>		
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Chief Executive/Deputy Chief Executive	15/5/12	Andy Jones
Head of Service	15/5/12	Mike Snow
CMT		
Section 151 Officer	15/5/12	Mike Snow
Monitoring Officer		
Finance	11/5/12	Philip Morgan
Portfolio Holder(s)	15/5/12	Andrew Mobbs
<b>Consultation &amp; Community Engagement</b>		
Insert details of any consultation undertaken or proposed to be undertaken with regard to this report.		
<b>Final Decision?</b>		Yes
<b>Suggested next steps (if not final decision please set out below)</b>		

## **1. SUMMARY**

- 1.1. This report serves to update progress on procurement over the past financial year 2011 /2012.

## **2. RECOMMENDATION**

- 2.1. It is recommended that the advances in procurement are noted.
- 2.2. It is recommended that the progress on the Procurement Action Plan (Appendix 1) is noted.

## **3. REASONS FOR THE RECOMMENDATION**

- 3.1. It was agreed at the July 2010 Executive as part of the Procurement Strategy that Members would receive an annual update on the progress of procurement and the procurement strategy.
- 3.2. For the past year four Councillors; Councillors Mackay, Rhead, Knight and Cross have been the "Procurement Champions". This has involved having meetings with officers to discuss the progress on the procurement actions plan and to "champion" the procurement work on-going.

## **4. POLICY FRAMEWORK**

- 4.1. **Policy Framework** – Procurement activity complies with the Codes of Procurement and Financial Practice. In all cases the corporate strategy is supported with particular emphasis on 'our values'.
- 4.2. **Fit for the Future** – Procurement activity is central to the delivery of the 'Fit for the Future' programme through the planning stages of the process. It also contributes to savings element of the 'Fit for the Future' programme as an outcome of the process.

## **5. BUDGETARY FRAMEWORK**

- 5.1. The actions to date from the Procurement Action Plan have all had a positive contribution to savings and efficiencies.

## **6. ALTERNATIVE OPTION(S) CONSIDERED**

- 6.1. No alternatives options are for consideration as this is a progress report.

## **7. BACKGROUND**

- 7.1. The 2010 revision of the Code of Procurement Practice and changes in threshold levels has resulted in more competitive activity being undertaken across all service areas.

7.1.1. This has resulted in the Council undertaking:

7.1.1.1. 9 procurement exercises using OJEU tenders (3 more than 2010-11)

- 7.1.1.2. 16 procurement exercises using low value tenders (1 less than 2010-11)
- 7.1.1.3. 9 procurement exercises using 3 quotes (7 more than 2010-11)
- 7.1.1.4. 4 procurement exercises using mini competitions on frameworks let by other contracting authorities (4 less than 2010-11)

These are an addition to contracts let compliantly using frameworks let by other contracting authorities where there was no requirement for further competition but the Council still benefited from the aggregated value of the collaborative arrangement.

- 7.2. All tenders and mini-competitions have been carried out using the e-tendering software to ensure fairness and transparency.
- 7.3. Throughout the year there have been several exceptions to the Code of Procurement Practice. These have been reported to the Executive with adequate justification. Officers are far more aware of the Code of Procurement Practice and thresholds, hence exceptions are becoming less frequent.
- 7.4. Further training on the use of the software will continue in order to allow procurement resources to be targeted at planning rather than administration.
- 7.5. Procurement training this year has been attended by 26 officers. With a members training session attend by a disappointing 4 members only.
- 7.6. Procurement training is scheduled for Autumn 2012. A refresher session for 10 officers and full training for 29 officers, all of whom are budget holders.
- 7.7. Cashable savings have still proved difficult to realise for many reasons. These include tenders that have concentrated on HRA funded projects, tenders where the programme of repair was already behind schedule owing to budgetary constraints and tenders for services of a reactive nature.
- 7.8. In all cases the comparative costs have reduced and so the council is able to receive more for its money. This may be by getting a programme back on track or having an under spend at the end of the financial year.
- 7.9. Cashable savings are reported as part of the Budget update reports from Finance.
- 7.10. The Procurement Manager remains heavily involved in special projects. In the past 6 months these have included:
  - 7.10.1. Integrated Waste and Grounds Maintenance

- 7.10.2. The new Kenilworth Public Service Centre
- 7.10.3. Property 2013 contracts

7.11. The Procurement Team have this year tendered a cash collection framework which is open to the region (as part of our ongoing collaborative work). The contract already has 8 councils using the contract and all have realised significant savings.

7.12. The collaborative procurement approach that Warwick undertakes with districts in Worcestershire was recognised by achieving a 'finalist' award in the recent SOPO (Society of Procurement Officers) annual awards.

7.13. Procurement are still approving new creditor requests. This has resulted in less new suppliers being added to the finance system and more sign posting to current contracts.