

Title	Procurement Progress update
For further information about this report please contact	Mel Gillman – Procurement Manager
Wards of the District directly affected	All
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No
Date and meeting when issue was last considered and relevant minute number	August 2010 Executive
Background Papers	

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

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	16/12/11	Andy Jones
Head of Service	15/12/11	Mike Snow
CMT		
Section 151 Officer	15/12/11	Mike Snow
Monitoring Officer		
Finance	15/12/11	Philip Morgan
Portfolio Holder(s)	15/12/11	Andrew Mobbs
Consultation & Community Engagement		
Insert details of any consultation undertaken or proposed to be undertaken with regard to this report.		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1. SUMMARY

- 1.1. This report serves to update progress on procurement over the first 8 months of the financial year 2011 /2012.

2. RECOMMENDATION

- 2.1. It is recommended that the advances in procurement are 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. With an interim report on the half yearly progress.
- 3.2. Councillors Mackay, Rhead, Knight and Cross are "Procurement Champions". This has involved having meetings with officers to discuss the progress on the procurement actions plan, provide advice 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 (from 1/4/2011 to 1/11/11):

- 6 procurement exercises using OJEU tenders
- 16 procurement exercises using low value tenders
- 22 procurement exercises using 3 quotes
- 8 procurement exercises using mini competitions on frameworks let by other contracting authorities

These are in 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. Further training on the use of the software will continue in order to allow procurement resources to be targeted at planning rather than administration.
- 7.4. Cashable savings have still proved difficult to quantify and 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.
- 7.5. 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.
- 7.5.1. New cashable savings for the first part of the financial year 2011-2012 are £87,720 – General fund (in addition to those achieved in previous years)

Postages	£28,400
Cleaning of emergency housing	£2,500
Tree inspection	£4,300
Maintenance of pay on foot parking meters	£6,700
Consultancy for local plan	£6,400
Graffiti removal	£18,400
Resurfacing of St. Nicholas car park	£11,000
Income from vending at leisure sites	£6,300
Efficiency in MFD's across council	£15,600
TOTAL	£87,720

- 7.6. There are still numerous tenders that have been awarded at lesser like for like cost and the savings have yet to be taken. These are mainly reactive in nature and savings will be taken from the annual under spend. The projection is for General Fund savings of £128,400. This is less than the target of £150K. However, Procurement are still striving to reach and exceed this target.
- 7.7. The Procurement Manager remains heavily involved in special projects. In the past 6 months these have included:
 - Integrated Waste and Grounds Maintenance
 - Catering at Pump Rooms, Jephson Gardens and Newbold Comyn
 - Voluntary Sector funding applications
 - Property 2013 contracts
- 7.8. The Procurement Manager and Officer have attended 2 seminars to local businesses on the subject of 'How to business with the Public Sector'. These were hosted by Redditch and Bromsgrove Councils.

- 7.9. 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.
- 7.10. Plans are currently being prepared for consideration by the Senior Management Team of the priority procurement projects for 2012/13. This will help ensure, along with the Procurement Team planning their work, that the relevant officers are also prepared.

8. MEMBER TRAINING

- 8.1. Member training was offered on Monday 26th September 2011 at the Town Hall. Unfortunately this session was only attended by 4 elected members of the Council. This was disappointing as an external trainer had been engaged to deliver the session with the support of the Procurement Team.