

 Finance And Audit Scrutiny Committee, 16th July 2011		Agenda Item No. <div style="text-align: right; font-size: 2em;">7</div>
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Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?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	19/5/11	Andy Jones
Head of Service	1/6/11	Mike Snow
CMT		
Section 151 Officer	1/6/11	Mike Snow
Monitoring Officer		
Finance	1/6/11	Philip Morgan
Portfolio Holder(s)		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 past financial year 2010 /2011.

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.
- 2.3. It is recommended that the Committee agree the members to be the "Procurement Champions".

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 three years three; Councillors Mackay, Rhead, Vincett 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. It is necessary to review and confirm who should be the champions for procurement.

4. POLICY FRAMEWORK

- 4.1. **Policy Framework** – Procurement activity complies with the Codes of Contract 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' program 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 alternative 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. 6 procurement exercises using OJEU tenders
- 7.1.1.2. 16 procurement exercises using low value tenders
- 7.1.1.3. 22 procurement exercises using 3 quotes
- 7.1.1.4. 8 procurement exercises using mini competitions on frameworks let by other contracting authorities

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. The electronic tendering software is now in place and is used for all tenders. Users are trained as they undertake tendering and are fully supported by procurement. The system has increased security, transparency and fairness, and has shown to be beneficial in terms of cost and convenience to both suppliers and the Council.

7.3. Cashable savings have been difficult to realise during the financial year as the procurement undertaken was in the main for contracts commencing in the 2011-2012 financial year.

7.3.1. New cashable savings for the year 2010-2011 are £150,000 (in addition to those achieved in previous years)

Reductions as part of "prior year savings" exercise	£67,800
New Stationery contract	£10,000
Procurement- Telephones	£39,000
Procurement-Sanitary Disposal	£1,000
Procurement-Language translation Service	£2,000
Procurement-Corporate Waste	£2,000
Procurement-Mobile Phones	£10,000
Cleaning Materials	£2,000
Procurement initiative Renegotiated Insurance Contract	£25,000
TOTAL	£158,800

7.4. Procurement training has been delivered,

7.4.1. Internally (by the Procurement Manager) to Cultural Services staff and to surveyors from Property Services.

7.4.2. Externally (by Jonathan Jones from IEWM) to a group of 15 officers and managers.

Further external training is booked for officers and managers in June. There will be a training session for members in September.

7.5. The Procurement Manager still remains heavily involved in special projects. In the past year these have included:

7.5.1. Integrated Waste and Grounds Maintenance

7.5.2. Catering at Pump Rooms, Jephson Gardens and Newbold Comyn

7.5.3. Spencer Yard Regeneration (currently mothballed due to AWM funding withdrawal)

7.5.4. Pump Room Gardens arches restoration

7.6. The Procurement Manager has delivered 2 breakfast seminars to local businesses on the subject of 'How to business with the Public Sector'.

7.7. All service areas have detailed their anticipated expenditure for each supplier for the 2011/12 financial year. This is being analysed by finance and procurement to identify opportunities for aggregation, supplier reduction and potential non-compliances. Work on this a large project and will not be complete until September 2011.

7.8. All new creditor (supplier) requests are now passed to the procurement before they can be added to TOTAL. This is to reduce the number of new suppliers added, identify opportunities for aggregation and to signpost officers to contracts already in place.