

 Finance And Audit Scrutiny Committee, 13th January 2015		Agenda Item No. 5
Title	Procurement Progress update	
For further information about this report please contact	Susan Simmonds – 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Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?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		
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	5 th January 2014	Andy Jones
Head of Service	5 th January 2014	Mike Snow
CMT	5 th January 2014	
Section 151 Officer	5 th January 2014	Mike Snow
Monitoring Officer	5 th January 2014	Andy Jones
Finance	5 th January 2014	Mike Snow
Portfolio Holder(s)	5 th January 2014	Stephen Cross
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 during the financial year 2014/15.

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.
- 3.2. Councillors Rhead, Syson and Knight are currently the "Procurement Champions". This has involved having meetings with officers to discuss the progress on the procurement action plan and to "champion" the procurement work that is on-going. More recently they have supported the Procurement team in ensuring that service areas that have a responsibility for contract management, manage the contract life cycle including costs and ensure that they programme the renewal of a contract in a timely manner. Contracts registers have been issued to all Heads of Departments to ensure all contract information held on the register is up to date and accurate. A further spreadsheet has been sent to Heads of Departments showing a total spend analysis of orders placed by their teams. Procurement and Procurement Champions are keen to ensure that spend activity via the Total system is accounted for either by a contract / agreement in place or with a valid reason for the spend.

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 been within budget and 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 2013 revision of the Code of Procurement Practice is continuing to be utilised for procurement activity across the Council. The updated Code was presented to Executive in Dec 2014 and will be confirmed by Council on January 28th 2015. This update reflects changes in the EU Directives that come into force 17th April 2014, Local Transparency Agenda 2014, Social Value Act 2012. Further legislation changes to Public Contracts Regulations 2006 and EU Legislation are due to be released in 2015, following the outcome of the consultation period
- 7.2 The table illustrates the position for the current year to date relative to previous years, of contracts awarded:

	2012/13	2013/14	2014/2015 as at Jan 2015
Collaborative exercises			1
Full OJEU tender	8	2	1
Direct award*	2	3	
Low value tender	15	11	6
3 Quotes	19	23	15
** Mini-competition using compliant framework	7	4	1
*** Exemptions		4	2
**** Non Award		2	2

* Direct award in accordance with the Public Contracts Regulations 2006, Regulation 14 exemption due to technical compatibility requirements.

** 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.

*** Reports submitted for approval to extend a current arrangement for a period of time to enable a procurement exercise to be streamlined when working as part of collaboration or due to a delay in renewal process.

**** Tendering exercises that was carried out but due to a particular circumstance did not proceed to award and exercise cancelled.

- 7.3 All opportunities over £20k are carried out using the CSW-JETS e-tendering portal to ensure fairness and transparency. There are some circumstances where it is agreed the quotations with a value of less than £20k have also been procured via the CSW-JETS system.

7.4 Procurement activity From April 2014 to Jan 2015:

Awarded Contracts in Financial Year 2014/15

Reference	Description	Service Areas	From	To	Value (£)	Supplier
CT01TQ0614	VAT Options Appraisal Kenilworth PC	Corporate & Community Service	One Off Project		£7500	Grant Thornton
CC05TQ0614	Website Usability testing and expert review	Corporate & Community Service	One Off Project for 3 months		£10,335	Nomensa
CC06TQ0614	Sophos Complete Security Suite Support Renewal	Corporate & Community Service	29/08/2014	28/08/17	£29,757 for three years	Foursys
CS36TQ0614	Insurance Valuations of Collection Leamington Museum	Cultural Services	1/04/14	30/06/14	£2450	Tim Riche & Associates
CS37TQ0614	National Bowls Championship – Review Survey	Cultural Services	01/06/14	30/09/14	£5550	The Research Solution
CS38TQ0614	Car Park Management – Bowls National 2014	Cultural Services	01/08/14	01/09/14	£22,540.60	CJs Events
HP80TQ0614	Kenilworth PC Right to Light	Housing & Property	One Off Project		£2750	TFT Consultants
NS19TQ0614	Supply of Ditch Matting for Bowling Green	Neighbourhood Services	One Off Project		£9082	Dale Sports
CE08TQ0614	Town Hall PA System	Corporate & Community / Cultural Services	One Off Project		£37000	Mustard Presentations
CE09TQ0914	Whitnash Community Hub Feasibility Study	Chief Executive Office	One Off Project		£17,371	Tuffin Ferraby Taylor
DS03TQ0914	Data & Phone Communication for 26 Hamilton Terrace	Development Service	17/09/14	16/09/17	£28,408	Konnex

HC03TQ1114	Air Quality Action Plan	Health & Community Protection	01/12/14	31/03/15	£5,493	AQ Consultants
HP84TQ1711	Housing Advice Training	Housing & Property Services	One off Project		£6,340	Shelter
NS20TQ0914	Bench Renovation at St Nicholas Park	Neighbourhood Services	1/09/14	31/03/15	£12,565	Alive Oak
NS23TQ1214	CDM Co-ordinator for Victoria Park Works	Neighbourhood Services	01/12/14	27/02/15	£960	TWE Safety Services
FI12LV0414	Insurance Broker Service	Finance	01/04/14	31/03/20	£2800 pa	Gallagher Health
HP77LV0314	Design, Supply and Install Biomass Boiler at Tannery Court	Housing & Property	01/03/14	28/02/15	£148,012	Treco Limited
DS04LV0914	Christmas Illuminations for Kenilworth	Development Services	01/11/14	31/10/19	£88,122	Hi Lite
PS84LV0514	Cost Manager Consultant	Housing & Property Services	13/05/14	02/05/15	£100,000	Impartlinks
NS21LV1114	Lead Consultant for Pump Room Gardens HLF Project	Neighbourhood Services	01/10/14	31/12/15	£52,684	Ashmead Price
NS22LV1114	Project Manager for Pump Room Gardens HLF Project	Neighbourhood Services	01/10/14	31/12/15	£10,185	Red Kite Networks Ltd
FI13CO0814	Revenue & Benefits Transaction Processing Service	Finance	Call off as required		£13,000	Civica UK Ltd
CS39MC0714	Vending Services	Cultural Services	01/08/14	31/07/19	£13,500pa	LTT
FI16OJ1214	Banking Service	Finance	01/02/2015	29/02/2020	£114,885	HSBC
NS24LV1214	Victoria Bowls Irrigation Project	Neighbourhood Services	01/12/2014	30/06/2015	£156,000	Avonmore Associates

Live Tendering Opportunities

Description	Budgeted Total Contract Value	Procurement Process	Projected date for award	Service Area
WDC - Asbestos Services	£4.5m	OJEU	TBC	Housing & Property
WDC - Telephone Advice & Guidance	£25k	Tender	Sept / Oct 2014	Chief Executive
WDC - ICT Business Continuity	£13,452 pa	Mini Competition	Dec 2014	Chief Executive
WDC - ICT Business Enterprise Licence	£216,775.39	Mini Competition	Jan 2015	Chief Executive
WDC - Voluntary Services	£990,000	Tender	April 2014	Corporate & Community
WDC - General Markets contract	£30,000 (income generator PA)	Light Touch Tender process	Feb 2014	Development Services
WDC - Provision of Treasury management Consultancy Services/ Investment Benchmarking Club/ Provision of HRA Self-financing Debt advice	£50,000	Tender	Jan 2015	Finance
WDC - ICT Infrastructure	£500,000	OJEU	March 2015	Chief Executive
WDC - Service & Maintenance (telecare associated) of Fire Alarm, Warden Call and Door Entry		Consortium Tender exercise via Fusion 21	April 2015	Housing & Property

Planned Tender Exercises

Description	Budgeted Total Contract Value	Procurement Process	Projected date for award	Service Area
Pumping Station Maintenance		Tender	April 2015	Housing & Property
Commercial Property Valuations		Tender	April 2015	Development Services
Commercial property advice		Tender	April 2015	Development Services
Mop licence renewal		Light Touch Tender process	April 2015	Development Service / Corporate & Community
Incinerator Maintenance		EU Tender	April 2014	Housing & Property

Not Awarded

Description	Procurement Process	Service Area	Reason
WDC – Partnering Advisor Consultancy Service	Tender	Housing & Property	After careful consideration it was agreed that there was no longer a need for this service from an external resource.
WDC – Telephone Advice & Guidance	Tender	Corporate & Community	3 submissions received but unable to evaluate and over budget. Going back to market with a revised specification and pricing schedule

- 7.5 As part of the review of the Works contract WDC are using the clause that allows us to obtain quotations for project works with a budgeted value of over £20k. This will be carried out as a mini-competition to all the Framework Suppliers. Implementing this clause should enable the Council to make savings against the framework prices already provided
- 7.6 The Procurement Strategy for 2015 is currently under review with the final copy to Executive in March.
- 7.7 The Code of Procurement Practice has been revised and taken to Finance and Audit Scrutiny Committee and Executive on 2nd / 3rd December 2014 for recommendation. The report will go to Committee January 2015 for final approval. All other procurement working documents to be reviewed as part of the ongoing project.
- 7.8 Working with the WCC Legal team we are in the process delivering Procurement training across the Council. Emails have been sent out Senior Managers to nominate staff to be put forward for training.
- 7.9 The implementation of the Procurement Card is now complete and fully operational across the Council. The claims for petty cash have now reduced. The transactional administration and overall management of the cards moved in September to the Fsteam. All Procurement Card transactions will be published on a monthly basis in line with the guidelines set out in the Local Transparency agenda 2014.
- 7.10 The Procurement Manager remains heavily involved in a number of ICT tender projects that are due to be finalised January 2015.
- 7.11 The Procurement Officer is involved in the renewal process for Asbestos Services. Used an external resource to help with the evaluation of pre qualifications questionnaires. Also working on updating and managing the contract register, arranging and attending meeting to ensure contract information is correct – on-going piece of work.
- 7.12 As contracts come up for renewal we look to collaboration opportunities and framework arrangement accessible for WDC to utilise. ie Crown Commercial Services, ESPO, Pro5
- 7.13 Procurement are still monitoring and approving new creditor requests. This has resulted in less new suppliers being added to the finance system and more sign posting to current contracts.
- 7.14 As part of an upgrade to the e-tendering portal (CSW-JETS) any suppliers that register need to identify their supplier category ie SME. This will help with future reporting tools on supplier types registered.
- 7.15 The Contracts Register has been reviewed with all section heads and budget holders to ensure all information held on the register is correct. Contract details now entered onto the register include live contracts, the contract values, the contract period dates are in line with the signed contract. Where a contract is due to expire an explanation is entered and renewal programme agreed. The register will continue to be monitored and entries challenged where applicable. The register will form the basis for providing Procurement work plans in the future and budget management. It is the intention to migrate the contract register and on-going contract management onto the CSW-JETS

system. This will encourage supplier engagement in the contract management process.

- 7.16 Following on from the above exercise a spend analysis was carried out identifying all spend activity through TOTAL against suppliers over the period April to October 2014. This was an opportunity to ensure that all spend is via a contracted supplier where applicable.
- 7.17 The Contracts Register will continue to be published on the internet quarterly.
- 7.18 The current agreed Procurement Strategy and Action Plan runs from 2011/12 to 2014/15. The Procurement Strategy is currently under revision due to go to Finance and Audit Scrutiny Committee March 2015.