

TELFORD & WREKIN COUNCIL

CABINET – 25th JUNE 2015

PROCUREMENT UPDATE

REPORT OF ASSISTANT DIRECTOR OF LAW DEMOCRACY AND PEOPLE SERVICES

LEAD CABINET MEMBER – LEE CARTER

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

For Members to consider the update of the Council's Procurement Intentions Documents and general progress with effective procurement

2. RECOMMENDATION

- 2.1 Cabinet to note the procurement updates in this report;**
2.2 Cabinet to note the Procurement Intentions Document (Appendix A) and where indicated, approve delegation to the appropriate officers (as per the Contract Procedure Rules) to progress new procurements through the tender process to contract award.

3. SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Co-Operative Council priority objective(s)?	
	Yes	Best value procurement in line with the Contract Procedure Rules promote engagement of local suppliers and stakeholders
	Will the proposals impact on specific groups of people?	
	No	
TARGET COMPLETION/DELIVERY DATE	The Procurement Intentions Document is a live document regularly updated by SDMs throughout the year with updates to Cabinet every 6 months at a minimum	
FINANCIAL/VALUE FOR MONEY IMPACT	Yes	The Council continues to face significant financial challenges as Government funding is cut. Ongoing savings of £70m have been made since 2009/10 and total savings are expected to be in excess of £100m by 2018/19. Procurement savings have totalled nearly £9m since 2009/10 with a further £2.4m identified in the 2015/16 budget strategy,

		highlighting that effective procurement is a key part of the council's Service & Financial Planning Strategy. The Procurement Intentions document contributes to delivering value for money through procurement.
LEGAL ISSUES	Yes	The procurement intentions document, Appendix A, is both transparent for all businesses to be able to see and prepare for forthcoming procurements that the Council will be undertaking but also is a transparent process to evidence appropriate delegations to officers. The delegations sought in this report are for officers to be able to commence and complete the procurement activity detailed in Appendix A and for contracts to be executed, depending upon their value, either under seal or under hand and as such the decisions sought are key decisions. Where procurement activities are above the EU Public Procurement thresholds as well as compliance with the Council's Contract Procedure Rules, the relevant law is contained in the Public Contracts Regulations 2015 (as amended). Each procurement will need to follow due process in accordance with the Council's constitutional internal and legislative requirements, with advice from Strategic Procurement Team and Legal Services
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	The Procurement Intentions document can be published externally. This helps the Council's supply chain prepare for up and coming tender opportunities.
IMPACT ON SPECIFIC WARDS	No	

PART B) – ADDITIONAL INFORMATION

4. INFORMATION

- 4.1 In the last 6 months the Procurement Team have supported officers to deliver fit for purpose contracts. These have been achieved through pre tender engagement to understand the market and inform the specifications, considerable advertising of requirements with a focus around use of social media and local networks and robust tendering and evaluation. Delivering robust contracts deliver the required outcomes and provide best value which ultimately will deliver savings.
- 4.2 Recent procurement savings to date range from a few thousand pounds up to a million pounds and show that good procurement can make savings at any level;

Network and Telephony Contract	The competitive tendering resulted in a new contract with the current supplier with savings of £1.1M over 10 yr life of the contract.
ICT Hardware	Original contract was for £3m, the new contract has been competitively tendered and awarded, in line with the ICT strategy, with a whole life cost reduced to £150k
Banking Tender	Switching from HSBC to Lloyds through a full formal tender will save £65k over 5 years
Medical Transport	Full competitive tendering realised £130k savings
Personal Hygiene services	£30k saved by moving satellite buildings on to the current corporate contract
Fuel Cards	Move from AllStar to Barclays will provide a saving of £2.5k
Government Procurement Card	Mini tender through national framework, will move from Barclaycard to Lloyds and will increase annual rebate to £3k

4.3 Above are cash savings but there is also a large amount of non cashable added value savings brought about by the team considering our Social Value duty and supporting a more proactive category or market sector approach prior to and during contracts ;

- Recent event for Domiciliary Care Providers on how to be 'Tender Ready'.
- Key presence at the Social Value in Construction West Midlands Event to understand how worklessness is being tackled through innovative contracting.
- Where able, negotiating current contracts in accordance with best value duties.

4.4 The Council is able to consider its duties under The Social Value (Public Services) Act as part of the overall tender evaluation process for any services where possible (those where a relevant and proportional social value measure can legally be applied). In these cases, officers look for suppliers to share how their organisation supports the Council's priorities to tackle unemployment, help build sustainable communities and increase business in the borough.

- 4.5 Suppliers can also be encouraged to present their own Social Value Return on Investment. This will show that for every pound the Council spend with them, the Council receives probably twice or more its value in benefit for example through the employment of long term or young unemployed, a reduction of carbon emission, by working with borough supply chains and apprentice opportunities are realised.
- 4.6 The Council is therefore managing its social value duty in two ways, by listening, working with and supporting individuals, SMEs and Micro Providers pre tender and giving opportunity to suppliers who are ultimately bidding, to present how they can return added value to us as detailed above.
- 4.7 The latest procurement intentions document, attached at Appendix A, details the anticipated procurement activity across the council for the next 6+ months. This is a live document regularly updated by SDMs with the current status of their projects. Some projects are still ongoing from the last update in February 15 and progress can be seen in the updated comments. All values are indicative. In all cases detailed, social media and our webpage are used to market opportunities to encourage local business to bid as well as national organisations.
- 4.8 The highlights on the documents for this update are;
- The Print Solutions Tender; the council rationalised printers and replaced most with multifunctional devices three years ago. Technology has now moved on with other cost saving office automation equipment now available on the market. There is also a need to review the management of the service and to seek options to enable us to support our customers, such as schools and parishes, with an updated offer. There are national frameworks available as well as local offers and we will be carrying out pre tender market research to inform the specification. The current contract value is between £400k and £550k and any new service will need to make reduction in those costs and improve on service delivery and reliability.
 - There are a number of service reviews taking place both in Adult Social Care and the Children and Young People Social Care. The results of these reviews will lead to different styles and types of tendering and contractual arrangements with businesses, voluntary and non for profit organisations. There will be a move to outcomes based contracts which in turn will need robust contract management. We will also be optimising use of best value in house services.
- 4.9 The Strategic Procurement Team continue to mobilise themselves to support areas where savings are a priority. This is not only internally but externally as the team now support a number of parish councils and an out of county school to support best practice procurement.

5. **IMPACT ASSESSMENT – ADDITIONAL INFORMATION**

6. **PREVIOUS MINUTES**

Procurement Update CB-99 26 February 2015

7. **BACKGROUND PAPERS**

Report prepared by Sarah Bass, Strategic Procurement Ext 82470