



**TELFORD & WREKIN COUNCIL**

**CABINET – 24<sup>th</sup> MARCH 2016**

**PROCUREMENT UPDATE**

**REPORT OF ASSISTANT DIRECTOR OF LAW, PROCUREMENT AND COMMISSIONING**

**LEAD CABINET MEMBER – CLLR 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 and contract management

**2. RECOMMENDATION**

- 2.1 Cabinet to note the procurement updates in this report including proposed change to the advertising threshold**
- 2.2 Cabinet to note the Procurement Intentions Document (Appendix B) 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**

<b>COMMUNITY IMPACT</b>	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	
<b>TARGET COMPLETION/DELIVERY DATE</b>	The Procurement Intentions Document is a live document regularly updated by SDMs throughout the year with updates to Cabinet every 4 to 6 months dependant upon activity.	
<b>FINANCIAL/VALUE FOR MONEY IMPACT</b>	Yes	The Council has made ongoing savings of just over £80m since 2009/10. The delivery of future cuts will become increasingly challenging as local government continues to face Government funding reductions The Council has identified savings of

		<p>£30m in 2016/17 and 2017/18 and estimate that a further £20m will be required in the following two years. Delivering savings through effective procurement is therefore an important feature of the budget strategy with over £11m being identified since 2009/10 and further savings being contained within the medium term Service and Financial Planning strategy for the two year period 2016/17 to 2017/18. Active contract management also ensures continued value for money is achieved through the life of contracts. Improving social outcomes through the procurement process could also lead to reduced demand on services and potentially lower costs.</p>
<b>LEGAL ISSUES</b>	Yes	<p>The procurement intentions document, Appendix B, 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 B and for contracts to be executed, depending upon their value, either under seal or under hand and as such the decisions sought may be key decisions.</p> <p>All contracts must comply with relevant EU requirements as well as provisions contained within the Council's Contract Procedure Rules. In addition, service contracts must comply with the provisions contained in the Public Services (Social Value) Act 2012.</p> <p>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, if appropriate.</p>
<b>OTHER IMPACTS, RISKS &amp; OPPORTUNITIES</b>	Yes	<p>The Procurement Intentions Document can be published externally. This helps the Council's supply chain prepare for up and coming tender opportunities.</p>
<b>IMPACT ON SPECIFIC WARDS</b>	No	

## **PART B) – ADDITIONAL INFORMATION**

### **4. INFORMATION**

4.1 This short update reports the Council's procurement position against the National Procurement Strategy<sup>1</sup>. The strategy sets out a vision for local government procurement

<sup>1</sup> <http://www.lg-procurement.org.uk/>

and encourages all Councils in England to engage with the delivery of outcomes in four key areas: Making Savings through Procurement, Supporting Local Economies, Leadership and Modernisations.

The Councils across the West Midlands are benchmarking their services against the strategy and feeding back into the LGA with their findings by June 2016

Telford and Wrekin's Performance can be seen on Appendix A and overall gives a positive position

In summary, our challenges ahead lie with optimising supplier relationship management to get most out of our contracts. As the Council continues to change in the coming years, it's important to ensure that all Officers are suitably trained to procure and contract manage in a compliant and effective way as it becomes more part of their day job. This will be achieved through a blended learning approach of online courses, self help toolkits, flow charts and mentoring.

The Leadership section also encourages Councillors and Senior Management to engage with procurement and commissioning training<sup>2</sup> being offered through the LGA Leadership Academy and Local Authorities have reported that this has been well received by those who have completed it.

4.2 Appendix B to this report is the regular Procurement Intentions Document which presents to Cabinet up and coming procurements for the next few months. This is a live document so will also provide an update on procurement already approved.

4.3 In September 2014 Cabinet requested that any procurement over £5k was advertised on the Council's webpage and via Twitter. The Council's Contract Procedure Rules require Officers to seek best value for any requirement under £10k but it's only above £10k that there is a requirement to seek at least three formal written quotes and advertise further. Initial best value is sort by checking previous purchase prices, online comparisons, use of local and market directories to seek verbal quotes and speaking to business network leads where relevant. Since implementing this process, where an Officer has already established a best value route for a purchase under £10k, and has then published an advert, they have not received any additional expressions of interest. Despite being much publicised through local business networks, there is no evidence to suggest companies are encouraged to bid for lower level opportunities through these adverts on our webpage. To improve the efficiency of the process it is therefore recommended that we lift the advertising threshold to £10k to be in line with Contract Procedure Rules.

## **5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION**

## **6. PREVIOUS MINUTES**

Procurement Update 10th December 2015 CB-58 refers

## **7. BACKGROUND PAPERS**

**Report prepared by Sarah Bass, Strategic Procurement Ext 82470**

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<sup>2</sup> <http://www.local.gov.uk/web/lg-procurement/leadership>