

**TELFORD & WREKIN COUNCIL****CABINET –29<sup>th</sup> JUNE 2017****PROCUREMENT UPDATE****REPORT OF ASSISTANT DIRECTOR OF GOVERNANCE, PROCUREMENT AND COMMISSIONING****LEAD CABINET MEMBER – CLLR LEE CARTER****PART A) – SUMMARY REPORT****1. SUMMARY OF MAIN PROPOSALS**

A regular report for Members to consider the update of the Council's Procurement Intentions Document and update them on the latest information regarding effective procurement and contract management

**2. RECOMMENDATION**

- 2.1 Cabinet to note the procurement updates in this report
- 2.2 Cabinet to note the Procurement Intentions Document (Appendix 1) 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 £96m since 2009/10. Further savings of £14m will be delivered in 2017/18 and an estimated £15m - £20m will be required in the following two years. The delivery of future cuts will become increasingly challenging as local government

		<p>continues to face Government funding reductions. Delivering savings through effective procurement is therefore an important feature of the budget strategy with over £11.4m being identified since 2009/10. 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. TAS 17.05.17</p>
<p><b>LEGAL ISSUES</b></p>	<p>Yes</p>	<p>The procurement intentions document, Appendix 1, 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 1 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 or electronically if part of the trial referred to in the report.</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> <p>In respect of the proposed trial of the electronic signatures Cabinet can agree a waiver of the Contract Procedure Rules if it would be in the interests of the efficient management of the service</p> <p>The Council will utilise resources for permitted purposes as set out in the Procurement Plan and will construe its behaviour against Constitutional standards of financial probity and stringent financial planning and financial risk management as well as risk and equality impact assessments and procurement requirements, which may impact delivery of outcomes.</p>

		MG 160517
<b>OTHER IMPACTS, RISKS &amp; OPPORTUNITIES</b>	Yes	The Procurement Intentions Document is published externally. This helps the Council's supply chain prepare for up and coming tender opportunities.
<b>IMPACT ON SPECIFIC WARDS</b>	No	

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

### **4. INFORMATION**

- 4.1 Council wide procurement continues to drive savings through robust competitive tendering and real time negotiation when brokering services.
- 4.2 The Procurement Team are taking a proactive approach with supporting colleagues to make an early start when retendering. They will be contacting contract manager up to 12 months in advance of their contract expiring to support scoping and market management. This will ensure that we avoid last minute contract extensions and have time to plan for the most economically advantageous tender and get the outcome right.
- 4.3 Early Market engagement is a key factor in getting the outcome right first time and on, or under, budget. The Public Contract Regulations 2015 actively encourage pre market engagement with suppliers and the Council is fully embracing this opportunity wherever possible. Engagement ensure that when officers and stakeholders are scoping a requirement they can be fully aware of what the market place can provide. It is an opportunity for suppliers to freely challenge the way in which a service is designed if they think it can be delivered quicker, better, leaner. The result is that much more officer time and energy is spent on these early engagement sessions than the tender process itself, which by default runs a lot more smoothly when suppliers have been involved early on.
- 4.4 Examples of recent successful pre market engagement are
- The Street Lighting contract led by Waste and Neighbourhood Services Performance Team. The team issued a prior information notice EU wide to invite suppliers to come and talk to them about the art of the possible. The specification changed over a course of a few months as all parties came to understand the requirements on both sides. There was also consultation with Parishes and the feedback was fundamental in again shaping the delivery of services. This led to a successful tender and award of the new contract, without any challenge which will deliver an improved service to the borough along with cashable savings and energy reductions.
  - The Highways retender process has just commenced with market engagement being held last week with the Neighbourhood Services Team.

Suppliers from Telford, around the UK and Europe came to share their knowledge and ideas for our highways. The outcome has confirmed some of the thinking and provided scope for development in other areas. Engagement will continue until we are formally tendering later in the year. Grounds Maintenance and Cleansing pre market engagement commences in June.

- Children's Residential services contracts is currently under review by the Procurement and Brokerage Team and engagement has commenced with a provider forum and market warming event to look at how these complex services can be flexible to meet the needs of our vulnerable children. The team also used the council's online survey system to gather feedback locally and nationally on the draft specification. The feedback is now being collated and is also being shared with the Care leavers groups who have been involved in the process throughout. We will be issuing the tender in the next two months.
- Older People Residential Care Framework; there was 100% turn out for the provider event at the beginning of May to start discussions about how we can create a quality led residential framework. Providers were able to share ideas and strategic plans for the future of this pressured and costly provision which will help shape the procurement and service delivery. Tenders will be issued late June.

5. All events are advertised on our Tenders internet page and, where applicable, a formal Prior Information Notice on the Government's Contract Finder internet site. We also use our twitter account to spread the word. This links in with the Telford Business Board and alerts local suppliers as well as nationals. Time invested at pre market stage is proven in every case to yield a more robust specification which meets best value and the needs of the recipients.
6. Appendix 1 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. This document is also published on the Council's website to encourage local supplier engagement,

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

## **8. PREVIOUS MINUTES**

Procurement Update CB-061 2<sup>nd</sup> February 2017

## **9. BACKGROUND PAPERS**

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

**Appendix 1 (Separate sheet)**