

**TELFORD & WREKIN COUNCIL**

**CABINET – 13 October 2016**

**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 Documents and update them on progress with effective procurement and contract management

Council wide procurement continues to drive savings through robust competitive tendering and real time negotiation when brokering services. Savings derived from effective procurement contribute to the Cost Improvement Plans in place across the council.

Savings secured in recent months include:

- £50k re-negotiating a block contract within adults services,
- £31k per annum reviewing a young person’s long term care placement,
- £15k through a change of procurement route for an ICT Product,
- £7k on our new insurance contract,
- £7k per annum on our hygiene contract,
- £3k extra income through increased commission from vending machines.

An opportunity for further savings is proposed for consideration through the trial of electronic signatures when issuing legal documents.

**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
- 2.3 Cabinet to agree to a waiver of the relevant Contract Procedure Rules to allow a pilot to trial the use of electronic signatures by the Procurement, Brokerage and Licensing Teams for a period of 3 months.

**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. Further savings of £30m will be delivered in 2016/17 and 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 continues to face Government funding reductions. Delivering savings through effective procurement is therefore an important feature of the budget strategy with over £11m 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. PH – 14/9/2016
<b>LEGAL ISSUES</b>	Yes	<p>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 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. 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 Legal Service 80787
<b>OTHER IMPACTS, RISKS &amp; OPPORTUNITIES</b>	Yes	The Procurement Intentions Document can be 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 Officers are exploring the potential use of electronic signatures when issuing external legal documents; ICT and Procurement are looking at a corporate wide electronic signature system/software which would require funding per licensed user. Efficiencies identified on postage and streamlining the current business processes would cover the cost of licenses and provide additional savings. In addition, this will support mobile working and give our customers and suppliers the benefit of an improved and paperless service.

#### Example savings based on 7 business units:

Current Manual Process: 50 items of 2<sup>nd</sup> class mail = £79.50 per week / £318 per month  
 Electronic Signature Process: Unlimited items = £210 per month (based on 7 licensed users costing at £30 per month)

Total Saving (postage only) = £108 per month  
 Further savings in envelopes, manpower in scanning original documents in to Electronic Document Management system

Cabinet are asked to consider this proposal with a view to agreeing a pilot with Procurement , Brokerage and Licensing.

4.2 The Procurement Team have undergone a recent restructure and as a result now have dedicated Procurement Officers supporting 'Place' based procurement and 'People' based procurement. This supports the National Procurement Strategy and enables a more focused category approach and improved supplier relationship management to help Officers manager their supply chain efficiently.

4.3 Appendix A 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.

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

### **6. PREVIOUS MINUTES**

Procurement Update 24 March 2016 CB-92 refers

### **7. BACKGROUND PAPERS**

Report prepared by Sarah Bass, Strategic Procurement Ext 82470