



2018/19

**Second Quarter
Procurement
Review**

1. Introduction

- 1.1 A key element of the financial savings included in the Council's Efficiency & Rationalisation Strategy is being met from the implementation of the Procurement Strategy which was agreed by Councillors in April 2014.
- 1.2 The strategy was developed to ensure that its objectives link closely with the Council's overall strategic vision and aims and objectives. The key actions in in the strategy included:-
- Delivery of cashable efficiency savings to support the Efficiency & Rationalisation Strategy by tendering, retendering and renegotiating of contracts.
 - Development and embedding a professional procurement unit of excellence to deliver on going efficiency savings for the Councils
 - Revising Financial and Procurement Procedure Rules to support transparency, timeliness of contract award and greater control
 - Expanding the usage of electronic procurement systems for works as appropriate
 - Increasing the levels of spend covered by the contract
 - Implementation of e-tendering
 - Supporting the local economy by increasing the number of procurement opportunities advertised and adoption of a local business concordat
- 1.3 Significant progress has been made since April 2014, in conjunction with the external support of the Alliance Transformation partner Northgate Information Solutions. The reliance on this external support has now ended as the new Procurement structure has been implemented as part of the service review process. This has enabled new working initiatives to be implemented, including the integration of the Creditors function into Procurement will ensure the 'Purchase to Pay Cycle' is robust and able to meet the demands of efficiency and performance targets.
- 1.4 Additionally, the introduction of new systems and electronic processes now enables the Alliance to be fully compliant in accordance with Transparency Code and Public Contract Regulations requirements – with all procurement opportunities over £5,000 now openly advertised.
- 1.5 The Procurement Procedure Rules have been recently updated and the updated Procurement Strategy is scheduled for presentation during 2018/19.

2. Second Quarter Completed Procurements

- 2.1 The activity supported by the procurement function during the first quarter July - September 2018 is summarised below:

Second Quarter	High Value (> £181,000)	Low Value (< £181,000)	Total
SMDC Only	1	6	7
JOINT (SM/HP)	1	6	7
TOTAL	2	12	14

- 2.2 Annex A provides details of the 14 procurements exercises reviewed and completed during Quarter 2.

- 2.4 No cashable savings have been made as a result of specific procurement activity during Quarter 2, this will continue to be monitored throughout the year and any savings identified will be offset against the efficiency programme.
- 2.5 However, a review of historical overall expenditure against budget is currently underway to identify where budgets can be reduced due to ongoing/one-off procurement activity. To date, £55,830 has been realised against the Efficiency Plan.

3. 2018/19 Procurement Forward Plan

- 3.1 The table below details the number of exercises which fall into either low or high value (profiled over full contract term) scheduled for completion in 2018/19.

2018/19 Activity	High Value (> £181,000k)	Low Value (< £181,000k)	Total
SMDC	3	24	27
JOINT (SM/HP)	6	30	36
TOTAL	9	54	63

In addition to the above, there are 104 listed entries brought forward from previous years (for review and completion for both HPBC and SMDC combined).

- 3.2 Some of the more significant 'high level' procurement activity that is scheduled for delivery in 2018/19 includes:-
- Skatepark Projects Leek and Cheadle
 - Leisure Centre Management
 - CCTV Maintenance and Monitoring Arrangements
 - Leek Markets Logistic Support (Market stalls)
 - Insurance

4. Procurement Performance

- 4.1 This section reports on the Council performance in terms of procurement activity and the payment of suppliers.
- 4.2 Performance for the second quarter is highlighted below:-

Performance Indicator	Target	Performance at 30 th September 2018
% of Alliance Procurement Activity on Forward Plan	72%	56%
Annual contract spend as % of gross expenditure budget	84%	88%
% Of invoices paid within 30 days	96%	96%

Procurement Activity on Forward Plan

- 4.3 A number of reactive lower value single source commissions were made during quarter two, which were reactive to current work activity from the relevant services area. Quarter three service reviews are scheduled for October and November to ensure that the programme is kept current.

ANNEX A

Second Quarter Procurement Activity Completed - SMDC

Contract	Description	Recurring / One Off	Service Area	Procedure	Award	Term (yrs)	Total Contract Value
Skatepark Projects: Leek and Cheadle	Design and Build Contract for Skateparks at Cheadle and Brough Park Leek	One-off	Operational Services - Leisure	Framework Further Competition	Maverick Industries - Leek Brough Park	1	170,000
					Bendcrete Leisure Ltd - Cheadle	1	100,000
Wharf Road Masterplan	Multidisciplinary team of consultants (architects /commercial advisors/surveyors) - to prepare a Masterplan & provide advice on infrastructure requirements, design, development and management options for a mixed use development site	One-off	Regeneration	Tender	Sanderson Weatherall LLP	1	£29,425
Tunstall Road Development Site Masterplan :	Multidisciplinary team of consultants (architects/commercial advisors/surveyors) - to prepare a Masterplan & provide advice on infrastructure requirements, design, development and delivery options for a mixed use development site	One-off	Regeneration	Tender	Sanderson Weatherall LLP	1	£27,113
Investment and Acquisitions Strategy (Extension to Contract P3665)	There are up to 5 additional sites to be investigated for the proposal considerations	One-off	Regeneration	Tender	CBRE	1	£15,000
Ecological Survey of Brough park Lake and Margins	Full survey required	One-off	Operational Services - Horticulture	Tender	BSG	1	£5,450
Planning Committee Site Visits - Coach Hire	Provision of Coach for Planning Applications Committee Site Visits	Recurring	Democratic & Community - Democratic Services	Not procured - existing arrangement continuation			

Second Quarter Procurement Activity Completed - JOINT (HPBC/SMDC)

Contract	Description	Recurring / One Off	Service Area	Procedure	Award	Term (yrs)	Total Contract Value
Architectural Services for HPBC & SMDC	Professional Architectural services framework to assist in the delivery of capital schemes building improvement projects	Recurring	Assets Compliance	OJEU	Framework: David Trowler TAD Architects AHR Building Consultancy	2	400,000
SHELLA (Strategic Housing Assessment)	Continuation of Existing Contract	One-off	Regeneration	Variation	Peter Brett Associates	1	84,850
Telecoms - Mobile phones / devices	Mobile devices and phones (rentals and calls)	Recurring	Organisational Development & Transformation - ICT	Tender	EE Limited Direct Award Via CCS Framework	1+1	42,216
Communications Consultancy	External Communications Consultancy services to support/deliver programme of communications	One-off	Organisational Development & Transformation - HR	Tender	Northern Design Collective Ltd	1	30,000
Provision of Stationery Supplies	Stationery supplies via DCC Framework contract Includes Paper, and all other stationery items	Recurring	Customer Services - Customer Services	Tender	Banner	2	29,000
Specialist Equipment Servicing	Servicing and maintenance of Grounds and Streets equipment	One-off	Operational Services - Horticulture	Tender	Cheshire Turf / PJS Machinery	1	15,000
Recycling Products Inc Wheeled Bins	Purchase of Wheeled Bins off Eastern Shires Purchasing Organisation framework rates - ad-hoc supplies as and when required.	Recurring	Operational Services - Waste	Framework	Cramer	Term of ESPO framework operates over 4 yrs	9,420