



**2018/19**

**Third 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 procurement activity which was agreed by Councillors in April 2017.
- 1.2 The current Procurement 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 include:
  - 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 Procurement Procedure Rules to support transparency, timeliness of contract award and greater control – these have now been updated
  - 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
- 1.4 The Procurement Strategy is now due for updating and is scheduled for presentation during 2018/19.

## 2. Third Quarter Completed Procurements

2.1 The activity supported by the procurement function during the third quarter October - December 2018 is summarised below:

Third Quarter	High Value (> £181,000)	Low Value (< £181,000)	Total
SMDC Only	0	13	13
JOINT (SM/HP)	1	2	3
<b>TOTAL</b>	<b>1</b>	<b>15</b>	<b>16</b>

2.2 Annex A provides details of the 16 procurements exercises reviewed and completed during Quarter 3.

2.4 No cashable savings have been made as a result of specific procurement activity during Quarter 3, 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, £68,000 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 or starting in 2018/19.

2018/19 Activity	High Value (> £181,000k)	Low Value (< £181,000k)	Total
SMDC	3	20	23
JOINT (SM/HP)	4	27	31
<b>TOTAL</b>	<b>7</b>	<b>47</b>	<b>54</b>

In addition to the above, there are 110 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 third quarter is highlighted below:

Performance Indicator	Target	Performance at 31 <sup>st</sup> December 2018
% of Alliance Procurement Activity on Forward Plan	72%	62.18%
Annual contract spend as % of gross expenditure budget	84%	92.28%
% of invoices paid within 30 days	96%	91%

##### *Procurement Activity on Forward Plan*

4.3 A small proportion of the completed exercises in quarter 3 were reactive which equated to 21% of the overall activity. Regular service review meetings are continuing to ensure planned activity is captured and monitored on the plan.

##### *% Invoices paid within 30 days*

4.4 Payments over 30 days equated to 12% of the total payments made in December of which 63% of payments to suppliers were actually made in under 10 days. 34% of the late payments were due to delays for goods receipting (GRNs) in the service areas. Services have been reminded about the necessity for prompt GRNs to initiate the payment and if in dispute to clearly communicate this to the creditors team. The remainder were due to non compliant invoices without Purchase orders.

**ANNEX A****Third Quarter Procurement Activity Completed – SMDC**

<b>Contract</b>	<b>Description</b>	<b>Recurring / One Off</b>	<b>Service</b>	<b>Award</b>	<b>Term (yrs)</b>	<b>Total Contract Value [£]</b>
Wetley Moor Turf Stripping and Heather Cutting	Turf stripping and heather cutting as part of ecological management on sensitive sites of high nature conservation value- Wetley Moor common	Recurring	Ops Services (Grounds)	Terra Firma Environmental	1	20,302
SMDC Local Plan Support Landscape, heritage and green space Examination Support	Local Plan examination. Consultants required to defend their conclusions which are a key part of the Local Plan evidence base.	One Off	Regeneration	Wardell Armstrong LLP	1	10,341
Housing and Employment Needs	Consultancy to support SMDC Local Plan from existing study undertaken on future Housing and employment needs in SMDC	One Off	Regeneration	Nathaniel Lichfield and Partners	1	9,400
SM Creative Industry Roadshow	3 yr annual programme for Creative Industry Roadshow for sole traders and micro businesses in SM area	Recurring	Regeneration	Marc Briand	3	4,800
SMDC Local Plan Support Green Belt Review Examination Support	Consultants required to defend their conclusions which are a key part of the Local Plan evidence base.	One Off	Regeneration	Woods PLC	1	3,568
Railway track land valuation	Valuation of track land in SMDC	One Off	Regeneration	Ardent	1	3,100
Repair Tarmac Paths at Cecilly Brook Local Nature Reserve Cheadle	Repairs to Tarmac Path at Cecilly Brook Local Nature Reserve Cheadle	One Off	Ops Services (Grounds)	Wrights Landscapes	1	2,500

Contract	Description	Recurring / One Off	Service	Award	Term (yrs)	Total Contract Value [£]
Consultancy Support in relation to SMDC Local Plan	Preparing for Hearing Sessions of Examination in Public for SMDC Local Plan. A Habitats Regulations Assessment Report for the Local Plan	One Off	Regeneration	Clearview Consulting	1	470
Ground vegetation management work Marshes Hill Common	Conservation management of heather, ground vegetation and gorse at Marshes Hill Common	Recurring	Ops Services (Grounds)	Not Awarded Not required	n/a	n/a
SMDC Local Plan Support Retail need - local plan Examination Support	Re: Local Plan examination.	One Off	Regeneration	Below RFQ Thresholds - Web Form Terminated	n/a	n/a
Bulky Refuse and Recycling Collection Service <b>NOVATED</b>	To provide a bulky waste and recycling collection service. (Extension applied)	Recurring	Ops Services (Waste)	Novation to Alliance Environmental Services	n/a	n/a
Dry Recyclables <b>NOVATED</b>	Transport from Depot and disposal of dry recyclables (Extension applied)	Recurring	Ops Services (Waste)	Novation to Alliance Environmental Services	n/a	n/a
Processing of Organic Waste <b>NOVATED</b>	Transport from Depot and treatment of compostable waste	Recurring	Ops Services (Waste)	Novation to Alliance Environmental Services	n/a	n/a

### Third Quarter Procurement Activity Completed – JOINT

Contract	Description	Recurring or One Off	Service Area	Procedure	Award	Term (yrs)	Total Contract Value (£)
Delivery and Collection of Polling station and Election Equipment	Delivery and collection of polling booths, ballot boxes and count equipment to/from specific locations across the Alliance	Recurring	Legal & Election Services	Tender	Fieldings Light Haulage	1 2+2	£ 50,000  £25,000 per Authority
Commercial Competence Framework	To produce a commercial competence framework following on from the work commenced by CAJA	One off	OD & Transformation	Single Source	Camburg Collective	1	£ 15,000  £7,500 per Authority
Street Sweepers Purchase	Outright purchase of street sweepers	One off	Operational Services - Fleet	Framework	Hako Aebie Schmidt	1	£603, 272  £301,636 per Authority