



2019/20

**First 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 Full Council in February 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 2019.

2. First Quarter Completed Procurements

2.1 The activity supported by the procurement function during the first quarter April – June 2019 is summarised below:

	High Value (> £181,000)	Low Value (< £181,000)	Total
SMDC Only	-	7	7
JOINT (SM/HP)	2	5	7
TOTAL	2	12	14

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

2.3 The retendering of the insurance contract gave rise to annual savings of £140,000; of which £102,000 is relevant to 2019/20. Procurement savings will continue to be monitored throughout the year and any savings identified will be offset against the efficiency programme.

3. 2019/20 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 2019/20.

	High Value (> £181,000)	Low Value (< £181,000)	Total
SMDC	4	16	20
JOINT (SM/HP)	8	42	50
TOTAL	12	58	70

In addition to the above, there are 63 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 2019/20 includes:

- CCTV Equipment, Maintenance and Monitoring Arrangements
- Leek Markets Logistic Support (Market stalls)
- Banking Services Contract
- IT Desktop Support Contract

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 first quarter is highlighted below:

Performance Indicator	Target	Performance at 30th June 2019
% of Alliance Procurement Activity on Forward Plan	72%	50%
Annual contract spend as % of gross expenditure budget	89%	80%
% of invoices paid within 30 days	96%	94%

Performance Indicators – targets off track

4.3 There is a communication programme of regular service review meetings to ensure planned activity is captured and monitored on the plan. New processes have been implemented within the creditors function to enhance the workflows to maximise on efficient working practices. The procurement team continuing to work with service areas to ensure they are compliant in commissioning supplies, services or works and that the internal processes are adhered to.

ANNEX A

First Quarter Procurement Activity Completed - SMDC

Contract Title	Brief contract description	Recurring or One Off	Service Area	Procedure	Award Detail	Term (years)	Total Contract Value £
Town Yard Industrial Estate Walls & Railings	Remedial works at Town Yard Industrial Estate Leek	One off (Minor works)	Assets Capital Projects	Open Tender	Trades and Labourers Ltd	n/a	56,777
Biddulph Valley Leisure Centre Repair works to Culvert	Remedial works to repair culvert at BVLC	One off (Minor works)	Assets Capital Projects	Single Source (Direct Award)	Premier Brickworks Ltd	n/a	42,695
Ecological surveys and advice	Specialist Ecological Advice for Planning Application processing	Recurring	Development Control	SLA	Staffordshire Wildlife Trust	1 yr	23,771
Amenity Grass Cutting at Countryside Sites	External grounds services	Recurring	Countryside Operational Services	Single Source (Direct Award)	County Ground Services Ltd	6 month	14,689
Water coolers hire-Moorlands House	Hire of water cooler units at Moorlands House	Recurring	Assets	RFQ	Chevington Finance & Leasing Ltd	5 yrs	10,584
Due Diligence and Benchmarking Support	Specialist external financial advisory	One off	Finance	Single Source (Direct Award)	Traderisks	n/a	10,000
Contingency Planning Support	Contribution to SLA with Staffordshire Civil Contingencies Unit	Recurring	Assistant Chief Exec – H&S / Emergency Planning	SLA (Public to Public agreement)	Civil Contingencies Unit	1 yr	9,964

First Quarter Procurement Activity Completed – JOINT (HPBC & SMDC)

Contract Title	Brief contract description	Recurring or One Off	Service Area	Procedure	Award Detail	Term (years)	Total Contract Value £
Insurance Services Contract HPBC & SMDC	Provision of insurance cover for council's activities including property, casualty, motor, engineering, additional cover, standalone policies Procured with Worcester Consortium Authorities	Recurring	Finance	Open Tender Procedure OJEU	Zurich Municipal Insurance	5 yrs	HPBC = 1,228,560 SMDC = 658,985 TCV (5 yrs) = £1,887,545
Electricity Supply for HPBC & SMDC Buildings	Future Electricity Supply agreement for both Authorities buildings and assets (Oct 2020 – 2024) Procured via ESPO (Eastern Shires Purchasing Org) Framework Contract agreement	Recurring	Assets	Framework Call off	Total Gas and Power Ltd	4 yrs	HPBC = 761,120 SMDC = 446,488 TCV (4 yrs) = 1,207,608 (variable on usage)
Purchase of Vehicles – Pest Control Service	Outright purchase of 2 vans for pest control services Procured via TPPL vehicle Framework	One Off (Supply)	Operational Services - Fleet	Framework Further Competition	Greenhous Fleet Services Ltd	n/a	29,772
Corporate Uniforms Supply Customer Services	Purchase of uniform items for Customer Services Procured via ESPO 114 Framework Contract agreement	Recurring	Customer Services	Framework Call off	Meltieme Ltd	n/a	2,583
<i>The following contracts have been reviewed on the work plan and have been combined within wider projects currently in progress to be delivered 2019/2020</i>							
HPBC / SMDC CCTV system maintenance agreements (Included in REFER TO PROC-4066)	Individual Contracts for service and maintenance for each Authority – included in wider Public Realm contract procurement due to be awarded Sept 2019	Recurring	Communities	Open Tender Procedure OJEU	<i>Pending Contract Award</i>		
Provision of Printers photocopiers and MDF's across the Alliance	Individual Contracts for service and maintenance support for each Authority's print output units – included in wider print rationalisation and Hybrid mail project	Recurring	Customer Services	Pending	<i>Internal Project Initiated</i>		
Building Security and Call out Response Services	Out of hours call out services at HPBC SMDC main offices Existing arrangements continuing pending FM contract implementation	Recurring	Assets	n/a	<i>Continuation of Existing Arrangements</i>		