



**2016/17**

**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 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.

## 2. Procurement Activity during the Quarter

2.1 The activity supported by the procurement function for the third quarter October to December 2016 is summarised below:

No. of Procurement Exercises Supported	High Value (> £172,000)	Low Value (< £172,000)	Total
HPBC Only	-	14	14
JOINT (HP/SM)	-	6	6
<b>TOTAL</b>	-	<b>20</b>	<b>20</b>

2.2 Annex A provides details of the 20 procurements completed during Quarter 3.

2.3 During the 2016/17 budget setting process, historical spend was analysed and where spend had been consistently lower than budget, this was highlighted for review. Subsequently, £408,000 in savings have been offset against the efficiency programme in relation to this analysis.

2.4 Additionally, a further £76,840 in cashable savings have been achieved from procurement activity during 2016/17 to date – which has also been offset against the efficiency programme. This relates primarily to contract renewals.

2.5 A number of one-off procurement exercises have also taken place – which may result in savings against overall budget. This will be assessed when setting the 2017/18 budget and undertaking a comparison of expenditure against budget to identify where budgets can be reduced due to procurement activity.

### 3. 2016/17 Procurement Forward Plan

3.1 The second quarter report detailed a total of 69 (54 HPBC / JOINT) remaining procurement opportunities to be delivered across the Alliance in 16/17. The number of listed entries for review has now risen to a total of 83 (68 HPBC / JOINT).

The table below details the number of exercises which fall into either low or high value (profiled over full contract term).

No. of Procurement Exercises Supported	High Value (> £172,000)	Low Value (< £172,000)	Total
HPBC Only	11	31	42
JOINT (HP/SM)	3	23	26
<b>TOTAL</b>	<b>14</b>	<b>54</b>	<b>68</b>

In addition to the above, there are 170 listed entries brought forward from 14/15 and 15/16 for review and completion for HPBC and SMDC.

3.2 Some of the more significant 'high level' procurement activity to be delivered in 2016/17 includes:

- Capital Programme works (HP/SM)
- Repairs to the Octagon Hall Pavilion Gardens(HPBC)
- Facilities and Management Services – Council Buildings (HP/SM)
- Waste and Recycling Services (HPBC)
- CCTV System Maintenance Contract (HP/SM)
- Disabled Aids and Adaptations (Private and HPBC Housing Stock)
- General Building Materials Supplies and Civils Works Frameworks (HP/SM)
- Planning Consultancy and Professional Legal Services Framework (HP/SM)
- Outbound Mail / Print rationalisation Transformation Project (HP/SM)
- Pavilion Gardens Supplies – Food and Beverages (HPBC)

#### 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:

<b>Performance Indicator</b>	<b>Target</b>	<b>Performance at 31st December 2016</b>
% of Alliance Procurement Activity on Forward Plan	60%	59%
Annual contract spend as % of gross expenditure budget	75%	69%
% of invoices paid within 30 days	95%	95%

4.3 It is expected that performance in respect of all three of the indicators will move further towards target in quarter 4.

**ANNEX A****Third Quarter 2016/17 - Procurement Activity Completed**

Auth- ority	Contract Name	Contract Description	Recurring or One-off contracts	Service Area	Contract Awarded To	Term / Duration (years)	Total Contract Value (incl. extension)
<b>Low Value (&lt;172,000)</b>							
HPBC	Stock Condition Surveys (Non Traditional & Sheltered)	Complete stock condition for HPBC Housing properties	Recurring	Assets	Michael Dyson Associates	1	£74,412
HPBC	Print, Design and Advertising Pavilion Gardens	Services to support on-going publicity for the Pavilion Gardens Operation	Recurring	Visitor Services	Murcury Group Ltd	1	£64,000
HPBC	Tunstead Milton Planning Appeal	Counsel for public inquiry, housing land supply witness and planning witness	One-off	Regulatory Services - Planning & Building Control	1. Planning - Keppie Massey Rob White 2. Housing Supply - Keppie Massey Ged Massey 3. Counsel - Kings Chambers - David Manley	1	£48,100
HPBC	Glossop Halls Consultancy	Revised Costs and Designs - continuation of Consultancy arrangement	One-off	Democratic & Community - Democratic Services	Donald Insall Associates	1	£16,400
HPBC	Glossop Creative Industries Strategy	Specialist knowledge of research into the creative industries and cultural sector (understanding of the factors which support the growth and sustainability of the sector including capital investments, business support etc.)	One-off	Democratic & Community - Communities & Partnerships	Tom Flemming	1	£10,058
HPBC	HP Printing of local plan documents and Maps	Printing required up to A0 sizes of up to 200 copies	One-off	Regeneration	Lovell Johns	1	£8,519
HPBC	Chapel Masterplan - Lead Negotiator for HPBC, Landowner- led development	Assist Chapel Parish Council scope options for land owner development, following viability assessment undertaken by BDP. As detailed in report to Corporate Select September. Appointment of Professional Consultant to lead negotiations with land owners	One-off	Regeneration	Roger Hannah & Co Ltd	1	£8,500

Auth- ority	Contract Name	Contract Description	Recurring or One-off contracts	Service Area	Contract Awarded To	Term / Duration (years)	Total Contract Value (incl. extension)
HPBC	Repair to Memorial Park Goyt road Entrance	Repair damage caused by an accident	One-off	Operational Services - Leisure	Horticon Ltd	1	£3,595
HPBC	Kitchen Canopy Specialist Cleans Pavilion Gardens	To clean the Kitchen Canopy & remove waste	Recurring	Visitor Services - Pavilion Gardens	Duct Clean (UK) Ltd	1	£2,000
HPBC	Digital TV Upgrades – Housing Stock	Upgrades to TV Aerials	Recurring	Assets M&E	no longer required	N/a	N/a
HPBC	Pavilion Garden - Print and Design Works	Designing and Printing of art work for publications and advertisements of events at the gardens	Recurring	Visitor Services - Pavilion Gardens	Superseded	N/a	N/a
HPBC	Bar Provisions – Pavilion Gardens	Purchase of Beers, Spirits, wines and soft drinks – review on sourcing options completed in Qtr. 3	Recurring	Visitor Services - Pavilion Gardens	N/a (HPBC Framework Contract - deferred to Qtr 4))	N/a	N/a
HPBC	Supply of Fruit & Vegetables Pavilion Gardens	Supply of fresh fruit & vegetables – Review on sourcing options completed in QTR 3	Recurring	Visitor Services - Pavilion Gardens	N/a (HPBC Framework Contract - deferred to Qtr 4))	N/a	N/a
HPBC	Pavilion Gardens Carpet cleans	Contracts to clean all public area carpets	One-off	Assets M&E	Not Renewed - Not required	N/a	N/a
Joint	H&S CDM Client Advisor Services Framework for HPBC and SMDC	Framework of 3 suppliers to provide consultancy services for Health & Safety Construction Design Management Regulations on Capital Projects	Recurring	Assets Compliance	David Trowler, WYG Management, Keelagher Okey Klein	2	£150,000
Joint	Committee Management system	Committee management software for Agendas and Minutes	Recurring	Organisational Development & Transformation - ICT	Modern Mindset	2	£31,010
Joint	Pest Control Products Provider	To purchase all pest control equipment & pesticides	Recurring	Regulatory Services - Environmental Health	ESPO 150 Framework - Killgerm	1	£12,000

<b>Auth- ority</b>	<b>Contract Name</b>	<b>Contract Description</b>	<b>Recurring or One-off contracts</b>	<b>Service Area</b>	<b>Contract Awarded To</b>	<b>Term / Duration (years)</b>	<b>Total Contract Value (incl. extension)</b>
Joint	Safeguarding Training for Hackney Licence holders	Training required to provide to Hackney carriage licence holders across the Alliance	Recurring	Regulatory Services - Licensing	Direct Training and Management	1	£10,000
Joint	Pay and Display Fees and Charges - Review (Income Generation)	Consultant to review options for fees and charges for P&D car parking across the Alliance	One-off	Visitor Services - Car Parking	RTA Associates	1	£4,033
Joint	Out of hours call out provision for contractors	Out of hours provision facility for contractors	Recurring	Regulatory Services - Planning & Building Control	Not to be Renewed -	N/a	N/a