



**2019/20**

**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 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
- 1.3 The Procurement Strategy is now due for updating and is scheduled for presentation during 2019.

## 2. Second Quarter Completed Procurements

2.1 The activity supported by the procurement function during the second quarter July – September 2019 is summarised below:

| Third Quarter | High Value (><br>£181,000) | Low Value<br>(< £181,000) | Total    |
|---------------|----------------------------|---------------------------|----------|
| SMDC Only     | 1                          | 2                         | 3        |
| JOINT (SM/HP) | 1                          | 3                         | 4        |
| <b>TOTAL</b>  | <b>2</b>                   | <b>5</b>                  | <b>7</b> |

2.2 Annex A provides details of the 7 procurements exercises reviewed and completed during Quarter two.

2.3 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.

| <b>2019/20 Activity</b> | <b>High Value<br/>(&gt; £181,000k)</b> | <b>Low Value<br/>(&lt; £181,000k)</b> | <b>Total</b> |
|-------------------------|--|---------------------------------------|--------------|
| SMDC                    | 4                                      | 15                                    | <b>19</b>    |
| JOINT (SM/HP)           | 6                                      | 42                                    | <b>48</b>    |
| <b>TOTAL</b>            | <b>10</b>                              | <b>57</b>                             | <b>67</b>    |

3.2 In addition to the above, there are 62 listed entries brought forward from previous years (for review and completion for both HPBC and SMDC combined).

3.3 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 (currently under a value for money review)
- 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 second quarter is highlighted below:

| Performance Indicator                                  | Target | Performance at 30th Sept 2019 |
|--|--------|-------------------------------|
| % of Alliance Procurement Activity on Forward Plan     | 72%    | 52%                           |
| Annual contract spend as % of gross expenditure budget | 89%    | 81%                           |
| % of invoices paid within 30 days                      | 96%    | 96%                           |

#### *Performance Indicators – targets off track*

#### 4.3 % of Alliance Procurement Activity on Forward Plan

There have been a number of single source exemptions to complete reactive or urgent works / services during Q2, which could not have been included on the procurement forward plan at the last service reviews. During Q3 scheduled reviews will be undertaken with heads of service to monitor current planned activity and future requirements (including 20/21 and 21/22). The forward plan will also be reviewed by Finance Business Partners after service reviews are completed.

#### 4.4 Annual contract spend as % of gross expenditure budget

The Procurement team continue to support service areas to address off contract spend arrangements with suppliers, there are a number of projects currently in progress which form wider reviews of service delivery, for example, print rationalisation and advertising (Public Notices). There will be continuing focus on formalising contracts in order to achieve target by the end of 19/20.

**ANNEX A****Second Quarter Procurement Activity Completed - SMDC**

| <b>Contract Title</b>                                 | <b>Brief contract description</b>   | <b>Recurring or One Off</b> | <b>Service Area</b>                 | <b>Procedure</b> | <b>Award Detail</b>          | <b>Term (years)</b> | <b>Total Contract Value £</b> |
|---|---|-----------------------------|-------------------------------------|------------------|------------------------------|---------------------|-------------------------------|
| Car Parks Refurbishment works                         | Programme of improvement works to various car parks in Staffordshire Moorlands area   | One Off                     | Assets                              | OPEN Tender      | Bethell Construction Limited | 1 (+2) yrs          | 366,507                       |
| Financial Consultancy: Due Diligence and Benchmarking | External Support for loan agreements and related advice   | One Off                     | Finance                             | Single Source    | Trade Risk                   | 3 months            | Up to 50,000                  |
| Water Level Monitoring Hales Hall Pool                | Monitoring of water levels at Hales Hall Pool reservoir including quarterly visits and management of telemetry and alarm system | Recurring                   | Operational Services – Horticulture | 4064             | WSP Ltd                      | 1 yrs               | 2,873                         |

## Second 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 £                      |
|---|---|----------------------|--------------------------------|--|---------------------------------|--------------|---|
| Public Realm CCTV Upgrades and Maintenance Contract           | Combined contract for upgrades to Control Room Equipment and infrastructure, SMDC Wireless cameras. Includes Support and Maintenance element for HP and SM. | Recurring            | Communities                    | OPEN Tender (OJEU Supplies / Services)   | OpenView Security Solutions Ltd | 5 yrs        | 389,782<br>SMDC = 257,603<br>HPBC = 132,179 |
| Playground Equipment Spare and replacement parts requirements | Supply of spare equipment and replacement items to repair any damages at various playgrounds across HP and SM areas   | Recurring            | Operational Services – Leisure | Open Tender                              | GB Sport & Leisure              | 1 (+2yrs)    | 21,000 (est. 50% per Authority)             |
| Intranet Housing and Licence Support                          | Current intranet system ongoing hosting and support services (contract novated)   | Recurring            | Transformation                 | Single Source                            | Upbeat                          | 3            | 5,105 (50% per Authority)                   |
| DCP Online Subscription Renewal                               | Access to development control manual, to ensure high quality development control decisions  | Recurring            | Development Control            | n/a – subscription to online legislation | DCP Online Renewals             | 1            | 3,525 (50% per Authority)                   |