



2019/20

**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 approved by Full Council in February 2017.
- 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 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 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 2020.

2. Third Quarter Completed Procurements

2.1 The activity supported by the procurement function for the third quarter October – December 2019 is summarised below:

Third Quarter	High Value (> £181,000)	Low Value (< £181,000)	Total
HPBC Only	1	14	15
JOINT (HP/SM)	-	4	4
	1	18	19

2.2 Annex A provides details of the 19 procurement exercises completed during Quarter three.

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 either completion or starting in 2019/20.

2019/20 Activity	High Value (> £181,000k)	Low Value (< £181,000k)	Total
HPBC	7	46	53
JOINT (HP/SM)	5	25	30
TOTAL	12	71	83

3.2 It should be noted that some of these contracts are at initial term expiry but have provision for permitted extensions and therefore may not be subject to re-tender in 19/20.

3.3 In addition to the above, there are 98 listed entries brought forward from previous years (for review and completion for both HPBC and SMDC combined).

3.4 Some of the more significant 'high level' procurement activity that is scheduled for delivery in 2019/20 includes:-

- Construction Materials Supplies – Direct Services
- HRA Capital Works: Windows & Doors, Central Heating, Roofing, Bathroom programmes
- IT Desktop Support Contract
- Arboricultural Works Framework
- Renewable heating source options for Pavilion Gardens and Queens Court Sheltered Housing scheme
- (Phase 2) Glossop Municipal Buildings and Market Hall Roof and M&E works

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 31 st Dec 2019
% of Alliance Procurement Activity on Forward Plan	72%	63%
Annual contract spend as % of gross expenditure budget	85%	83%
% of invoices paid within 30 days	96%	97%

Performance Indicators – targets off track

4.3 % of Alliance Procurement Activity on Forward Plan

During third quarter, Procurement undertook review meetings with Service areas to populate the forward plan for the remainder 19/20 and plan for 20/21. It is anticipated that the outcome of these reviews will result in performance improvement to achieve target by the end of the fourth quarter.

It should be noted that reactive and urgent procurements cannot be eliminated, but we endeavour to achieve good communication with Service areas to inform us of planned activity that they have include in their service delivery programmes.

4.4 Annual contract spend as % of gross expenditure budget

Procurement continue to progress the procurement forward plan to achieve higher proportions of contracted supply, service and works arrangements which has improved in quarter three as contracts procured earlier in the year start and we should see further improvement in the fourth quarter to achieve target by end of this financial year.

5. REVISED EU THRESHOLD CHANGES

- 5.1 Official Journal of the European Union (OJEU) thresholds indicate at what value a Public Contract for supplies, services or works must be advertised. It is mandatory for public sector contracting authorities to adhere to these regulations.
- 5.2 The European Commission published the updated procurement thresholds for 2020 and 2021 in January 2020. The new procurement threshold values will apply to contracts advertised on and after 1 January 2020.
- 5.3 The revised thresholds below are exclusive of VAT and relate to the full life of the Contract:

PUBLIC CONTRACTS – 2020 / 2021	£
Works Contracts	4,733,252
Small Lots	884,720
Supply, Services and Design Contracts	189,330
Small Lots	70,778
Social and other specific Services	663,540
Light Touch Regime	
Concession Contracts	4,733,252

- 5.4 There is still much uncertainty about what will happen next with a confirmed Brexit delay until 31st January 2020. For now we remain as part of European Union and therefore the Authority is subject to adherence to the above thresholds for contracting.
- 5.5 The Council's Procurement Procedure Rules for Authorisation to procure and award contracts are requested to be updated to reflect the changes in the new thresholds. For procurements which commence after 1st January 2020 the revised thresholds as detailed in Annex C (below) of the Procurement Procedure Rules will apply:

ANNEX C– SUMMARY OF AUTHORITY TO PROCURE AND AWARD THRESHOLDS

Award and Exemptions Authorisation Limits:

Total Contract Value (£)	Authorisation	Authorisation By
<25,000	Head of Service / Executive Director	Procurement Web-form
>25,000 - <189,330 (EU Service Threshold)	Executive Director / Chief Executive	Procurement Web-form
>189,330 (EU Service Threshold) - <1,000,000	Delegated Member Decision	Delegated Member Report (Portfolio Holder for Procurement and the relevant service area)
>1,000,000*	Executive HPBC (with prior Scrutiny Committee)	Committee Report

** Committee reports may be presented where the total contract value is less than £1,000,000 - where considered appropriate due to the nature of the procurement or where it relates to a key decision*

ANNEX A

Third Quarter Procurement Activity Completed – HPBC

Contract Title	Brief contract description	Recurring or One Off	Service Area	Procedure	Award Detail	Term / Duration	Total Contract Value £
Queens Court Sheltered Scheme Roof Replacement	Roof refurbishment works	One Off	Assets	Open Tender	Abbey Mill Homes	12-16 wks Works contract	302,176
Grounds Maintenance Specialist Equipment Purchase of new equipment	Purchase of specialist equipment (Ride on mowers, small tractor and flail mowers) Procured via ANSA for AES - Contracting Authority HPBC	One Off	Direct Services Grounds Maintenance	Framework Further Competition	F R Sharrocks	n/a Supply Only	151,744
Masterplan and Business Case for Buxton (FHSF)	External Consultancy via HCA Appointed Panel Framework To deliver master planning study for Buxton Town Centre	One Off	Regeneration	Framework Further Competition	Lambert Smith Hampton	6 months	84,880
Replacement Windows and Doors at Ecclesfold Sheltered Scheme Chapel-en-le-Frith	Minor works contract to replace windows and doors at Sheltered Scheme	One Off	Assets	Open Tender	Glossop Glass and Glazing (T/a JPD)	12 wks Works Contract	61,922
Purchase of Ride on Mower	Discounted purchase of existing spot hire vehicle – direct from supplier	One Off	Direct Services Grounds Maintenance	Single Source	F R Sharrocks	n/a Supply Only	28,977
Project Management Consultancy Phase 2 Municipal Buildings Market Hall Roof & M&E Works	Appointment of Consultant to provide cost and project management support for Phase 2 works at Municipal Buildings and Indoor Market Hall Glossop	One Off	Assets	Framework Direct Award	Focus Consultants	9 months	20,719
Gamesley Estate Glossop Civil Repair works	Ground Repair works around Estate – repairs to potholes and resurfacing works	One Off	Assets	RFQ (Request for Quotations)	MCP Properties	4 - 6 wks	19,585

Specialist Archaeology Consultancy Planning Applications	Ad Hoc Archaeology support for planning applications SLA with DCC (and other Derbyshire Districts / Boroughs)	Recurring	Development Control Planning & Building Control	Service Level Agreement	Derbyshire County Council	3 yrs	15,837
Consultancy Appointment Regeneration High St Retail Study	Audit of Upper Floor Retail / High Street Premises in Buxton	One Off	Regeneration	Contract Variation	Lambert Smith Hampton	6 months	10,575
Appointment of Specialist external Legal Advisor	Appointment of expert legal advisors – Nestle Trade Mark licence agreement	One Off	Legal Services	Single Source	Gowlings WLP Ltd	3 months	10,000
Purchase of External Christmas Lighting	Supply of External Christmas Lighting for December 2019	One Off	Direct Services Grounds Maintenance	Request for Quotation (RFQ)	LITE	Supply Only	4,685
Consultancy Appointment Retail Planning Advice	Retail Planning Advice (Impact & Sequential Assessments) Regarding local centre proposals Procured as Direct Award from Homes and Community Agency Framework (HCA)	One Off	Development Control Planning & Building Control	Framework Direct Award	WYG Ltd	4 months	6,500
Purchase of Christmas Trees for High Street retail outlets	Purchase of Christmas Trees for Town Centres / High Streets in the Borough	Recurring	Direct Services Grounds Maintenance	Contract Variation – extension to existing arrangement (Interim prior to Phase 3 AES)	Joseph Noblett	1 yr	5,000
Fairfield Road Buxton Gateway Signage replacements	Damaged / missing signs - replacements being uplifted to conservation style to approve gateway entrance public realm	One Off	Regeneration	Single Source	Leander Architectural	4 wks	3,203
Water Cooler units – Buxton Town hall	Lease hire of 2 water cooler units – Buxton Town Hall	Recurring	Assets	Contract Variation	Chevington Finance & Lease Ltd	5 yrs	1,512

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

Contract Title	Brief contract description	Recurring or One Off	Service Area	Procedure	Award Detail	Term / Duration	Total Contract Value £
Boundary Wall Repairs Works Closed Churchyards (High Peak & Staffordshire Moorlands)	Minor Works Contract Various Boundary Wall repair works at Closed Churchyards in both areas	One Off	Assets	Open Tender	Alliance Group Solutions	12 months	176,583
IT Software System Purchase Corporate Asset and Information Management System (CAIMS)	Purchase of a Web based Asset management system for Public Buildings across the Alliance Implementation, Annual Licence and Hosting	Recurring	Transformation	Framework Further Competition Crown Commercial G Cloud Framework	Concerto Support Services Ltd	3 yrs	£59,600 (50% per Authority)
Play Area surfacing repairs Green Lane Buxton and Westwood Rec Leek	Repair of worn and damaged 'Wetpour' resurfacing works at Green Lane Buxton and Westwood Recreational Ground Leek	One Off	Service Commissioning	Request for Quotations (RFQ)	Soft Surfaces Ltd	4 wks	6,970
Grounds Equipment - Weed and Moss Removal Machines	Replacement equipment for Streets Weed Control	One Off	Direct Services Grounds Maintenance	Request for Quotations (RFQ)	Spa Power Machinery	Supply Only	5,097