



2021/22

**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 Full Council in February 2017.
- 1.2 The current Procurement Strategy was developed to ensure that its objectives linked closely with the Council's overall strategic vision and aims and objectives. The key actions included, delivery of cashable savings, development of a professional Procurement unit, updated Procurement Rules to support transparency and the implementation of electronic tendering processes and procurement systems.
- 1.3 The revised Procurement Strategy is scheduled for presentation and implementation following consultation with Members during 2021/22. The revised strategy will focus on the following key objectives to support the aims of the Council's Corporate plan and align with the LGA National Procurement Strategy:
- Delivering Value for Money
 - Commercial focus and effective Contract Management
 - Maintaining Transparency and Ethical practices through effective leadership
 - Promoting Responsible and Sustainable Procurement
 - Supporting the Local Economy and Business Growth
 - Delivering Social Value (CSR) through our Contracts
- 1.4 The strategy is timetabled for decision and implementation in March 2022, due to further review on the key priorities and outputs to align with other relevant key strategies currently being developed. Further consultation is planned with local business forums to actively engage local small to medium businesses to gain feedback on our key priorities.

2. Third Quarter Completed Procurements

- 2.1 The activity supported by the procurement function during the third quarter September 2021 to December 2021 is summarised below:

Third Quarter	High Value (> £181,000)	Low Value (< £181,000)	Total
SMDC Only	[-]	5	5
JOINT (SM/HP)	[-]	8	8
TOTAL			13

- 2.2 Annex A provides details of the 13 procurements exercises reviewed and completed during Quarter three.

3.0 2021/22 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 2021/22.

2021/22 Activity	High Value (> 181,000k)	Low Value (< £181,000k)	Total
SMDC	1	18	19
JOINT (SM/HP)	4	18	22
TOTAL			41

In addition to the above, there are 223 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 2021/22 includes:-

- Facilities Management (Joint venture delivery model)
- Cornhill West Industrial Units Project (Subject to Approval)
- Consultancy levelling up fund
- Professional Services Contract – Architectural

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 December 2021
% of Alliance Procurement Activity on Forward Plan	68%	50%
Annual contract spend as % of gross expenditure budget	94%	94%
Supplier (Creditor) spend within the local area as a % of total spend	Baseline	Result 20/21 6.3%
% of Contracts awarded to local suppliers following submission of EOI (over £5,000)	Contextual	Result 20/21 33%

Performance Indicators – targets off track

4.3 We are continuing our communication programme of regular service review meetings to ensure planned activity is captured and monitored on the plan. We are 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.

5.0 Revised Public Contract Regulations Threshold changes 2022

- 5.1 Notification of the new threshold values to apply for the purposes of the Public Contracts Regulations 2015, Utilities Contracts Regulations 2016, Concession Contracts Regulations 2016 and the Defence and Security Public Contracts Regulations 2011. The threshold values are refreshed every two years and it is mandatory for public sector contracting authorities to adhere to these regulations.
- 5.2 The new procurement threshold values will apply to contracts advertised on and after 1 January 2022.
- 5.3 The revised thresholds below are exclusive of VAT and relate to the full life of the Contract:

PUBLIC CONTRACT THRESHOLDS 2022 & 2023	£
Works Contracts	5,336,937
Small Lots	884,720
Supply, Services and Design Contracts	213,477
Small Lots	70,778
Social and other specific Services	663,540
Light Touch Regime	
Subsidised services contracts	213,477
Concession Contracts	5,336,937

- 5.4 Changes to the estimated value methodology will apply from January 2022 to include VAT on contract values. Therefore when calculating the estimated value of the contract to determine whether the regulations apply, the contract value estimation should be inclusive of VAT (where applicable) from 1 January 2022.
- 5.5 This is a change in practice, as a result of the UK's independent membership of the GPA. The revised thresholds have been calculated in accordance with established GPA practice. Procurers should calculate the estimated value of a contract based on the total amount payable including VAT without making a deduction for any available VAT recovery.
- 5.6 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. This will be presented for approval in the Procurement Forward Plan as part of the MTFP submitted to full Council in February 2022.

ANNEX A

Third Quarter Procurement Activity Completed - SMDC

Contract Title	Brief contract description	Recurring or One Off	Service Area	Procedure	Award Detail	Term (years)	Total Contract Value £
Biddulph Grange Path Surfacing	Minor works	One Off	Service Commissioning	RFQ	RGS (Leek)	n/a	2,387
Research Services – High Streets	GPS Based footfall plus High Street data provision and Monitoring data for SMDC towns	One Off	Regeneration	RFQ	Place Informatics Ltd	n/a	4,150
Staffordshire Means Business Staffs Apprenticeship 500	SLA with Staffordshire County Council	SLA	Regeneration	Change control	Staffordshire County Council	Until 31 st March 22	65,000
Market Licence reviews	Antiques Market Leek	Recurring	Regeneration	Taken off work plan for individual review			
Welcome back High street Business support Staffordshire Moorlands		n/a	Regeneration	Taken off work plan for exercise – delivered through SLAs detailed in Q2 report			

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 £
Email Security Software- VIPRE	IT systems and software	Recurring	Transformation	RFQ	Vipre Security Ltd	2 yrs	8,094
Stationery Items	Provision of stationery supplies	Recurring	Customer Services	Framework via DCC	Banner Ltd	2 (+2) yrs	Est 29,000
Levelling up Fund	Consultancy Support (initial scoping)	One Off	Regeneration	Single Source	Mutual Ventures	4 wks	12,000
Cycle to work scheme	Employee incentive scheme	Recurring	Transformation OD	Framework	Cyclescheme Ltd	1 yr	5,000

Water Sample risk Assessments	Risk Assessments for private water supplies	Recurring	Environmental Health	Single Source	R H Environmental	Until 31/03 /22	11,893
Climate Change Explainer Videos	Creation of videos – Climate Change strategy and measures	One Off	Communities Climate Change	RFQ	Be Inspired	8-10 wks	2,160
Organisational Development Consultancy Support	Consultancy Appointment to support Alliance's OD Strategy	One Off	Transformation	Single Source	Camburg Collective	8-10 wks	29,850
Collection and Disposal of Confidential waste from offices		Recurring	Assets Compliance	Taken off workplan – incorporated in wider FM project (low value)			