



2016/17

**Fourth 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 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 Council to be fully compliant in accordance with the Transparency Code and Public Contract Regulations requirements – with all procurement opportunities over £5,000 now openly advertised.

2. Fourth Quarter Completed Procurements

2.1 The activity supported by the procurement function for the fourth quarter January to March 2017 is summarised below:

Fourth Quarter	High Value (> £172,000)	Low Value(< £172,000)	Total
HPBC Only	1	22	23
JOINT (HP/SM)	1	15	16
TOTAL	2	37	39

2.2 Annex A provides details of the 39 procurements completed during Quarter 4.

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 £80,260 in cashable savings have been achieved from procurement activity during 2016/17 – which has also been offset against the efficiency programme. This relates primarily to contract renewals.

2.5 A number of one-off procurement exercised 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 third quarter report detailed a total of 83 (68 HPBC / JOINT) remaining procurement opportunities to be delivered across the Alliance in 16/17. The number of listed entries for completion still remaining is 57 items across HPBC and SMDC, the table below details the proportion for HPBC and joint contract activity.

3.2 The table below details the number of exercises which fall into either low or high value (profiled over full contract term) remaining for 16/17 which will be carried forward to 17/18).

2016/17 Activity	High Value (> £172,000k)	Low Value (< £172,000k)	Total
HPBC	4	27	31
JOINT (HP/SM)	1	16	17
TOTAL	5	43	48

In addition to the above, there are 145 listed entries brought forward from 15/16 for review for both HPBC and SMDC.

3.2 Some of the more significant 'high level' procurement activity that has been delivered in 2016/17 includes:-

- Repairs to the Octagon Hall Pavilion Gardens
- Capital Programme works (HRA)
- Customer Portal IT Solution
- Risk Based Verification / E-forms IT Solution
- Content Managed Website
- Electricity and Gas Supply Contracts
- Liquid Fuels Supply

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:-

Performance Indicator	Target	Performance at 31st March 2017
% of Alliance Procurement Activity on Forward Plan	60%	55%
Annual contract spend as % of gross expenditure budget	75%	67%
% of invoices paid within 30 days	95%	95%

4.3 Performance Indicators have fallen short of target in terms of on-contract spend and forward plan activity:-

- Of the activity that was not on the forward plan, 53% relate to single source and reactive urgent exercises, which could not have been foreseen. The remaining 47% had not been highlighted in the 2016/17 service meetings. Review meetings are scheduled to focus on the 2017/18 forward plan where a reminder for Services to be proactive in terms of forthcoming procurement activity will be addressed.
- In regard to on-contract spend, the focus of the Procurement unit is to ensure the Authority is achieving value or money from its suppliers, part of which is ensuring a high proportion of Council spend is under a contract arrangement. The Procurement and Finance Business Partners are working closely with service areas to target and challenge off-contract spend

ANNEX A**Fourth Quarter Procurement Activity Completed**

Auth.	Contract name	Contract Description	Recurring or One-off contracts	Service Area	Contract Awarded To	Term years	Total Contract Value (incl. extension)
High Value (>172,000)							
HPBC	Refurbishment works Octagon Pavilion Gardens	Construction work to repair the Octagon at Pavilion Gardens	One-off	Assets Capital Projects	Gelder Ltd	1	2,389,327
Low Value (<£172,000)							
HPBC	Stock Condition Surveys - Non Traditional Housing Survey	One off exercise to support stock condition assessment exercise	One-off	Assets Capital Projects	Michael Dyson Associates	1	74,412
HPBC	Building Contract - Refurbishment of shops at Winsters Mews, Gamesley	Refurbishment of Void shops at Winsters Mews Gamesley and other associated general building works to the block	One-off	Assets Housing Capital	NSJ Contractors Ltd	1	33,064
HPBC	Diesel Generator and 3000ltr Bund	Diesel Generator and bund for storage of up to 3000ltr of diesel	Recurring	Visitor Services - Pavilion Gardens	Wilson Ait Techniques Ltd	1	13,884
HPBC	Diesel Supply for Pavilion Gardens Generator	Supply of Diesel Fuel	Recurring	Visitor Services - Pavilion Gardens	ESPO 301 Liquid Fuel - Certas Energy	1	7,300
HPBC	Fresh Ice Cream Supply - PG	Fresh Ice cream products sold in the Coffee Bar	Recurring	Visitor Services - Pavilion Gardens	Bradwells Ice Cream	1	17,398
HPBC	Pre-packed Sandwich Supply	Fresh pre-packed sandwiches sold in Coffee Shop	Recurring	Visitor Services - Pavilion Gardens	ESPO 121 Lime Tree Foods T/a Sandwich King	2	18,474
HPBC	Economic Impact Study - Quarrying and Mineral Extraction in High Peak, Derbyshire Dales and Derbyshire	Study to consider the economic impact of quarrying and mineral extraction in the area, with a particular focus on the economies of High Peak and Derbyshire Dales.	One-off	Regeneration	Genecon Ltd	1	14,975

Auth.	Contract name	Contract Description	Recurring or One-off contracts	Service Area	Contract Awarded To	Term years	Total Contract Value (incl. extension)
HPBC	Temporary Storage Cabins Pavilion Gardens	Temporary Storage containers for decanting fridges and equipment from the construction site in Octagon hall.	One-off	Assets Capital Projects	Mobile Mini	1	4,360
HPBC	Electrical Supply for Storage Units at Pavilion Gardens	Temporary electrical supply to cabins to store Pavilion Gardens storage	One-off	Assets Capital Projects	Gelder Ltd	1	3,460
HPBC	Retaining Wall repair works, Alma Square, Chapel Road, Buxton Cemetery Archway	Wall repair works to Alma square, Chapel Rd, Buxton Cemetery Archway	One-off	Assets Capital Projects	Alliance Group Solutions Ltd	1	44,538
HPBC	Urgent Works to Fire Damaged Property	Urgent works to fire damaged property (Sheldon Close)	One-off	Assets Capital Projects	Novus Property Solutions	1	19,917
HPBC	Consultancy HRA Housing Rent and Service Charge Review	Consultancy support	One-off	OD/Transformation	Liz Waters	1	6,750
HPBC	Hadfield Hall Repairs and Maintenance	General maintenance and repairs to building	One-off	Assets M&E	NSJ Contractors Ltd	1	34,819
HPBC	Repairs to playground safety surfacing	Repairs to safety surfacing at various locations across High Peak Play grounds	One-off	Operational Services - Horticulture	AGM Sports Ltd	1	15,316
HPBC	Painting communal areas Cromford Court	Painting internal communal areas at Cromford Court	One-off	Assets Housing Capital	Bagnall & Sons	1	9,363

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HPBC	Provision of Anti Slip System for Milner Bridge PG	Install of anti slip surface to wooden bridge in Pavilion Gardens	One-off	Operational Services - Horticulture	JSE Contract Services	1	4,940
HPBC	Conduit Street Play Area	Conduit street play area at Tintwistle Glossop - Externally funded project with budget limit of £60k	One-off	Operational Services - Horticulture	Kompan Ltd	1	60,000
HPBC	Replacement play item for Newshaw Lane	Item of play equipment broken/damaged beyond repair at Newshaw Lane site	One-off	Operational Services - Horticulture	Hags	1	3,981
HPBC	Invest in Buxton Website and Brochure updates	Business Support website and printed brochure, annual hosting and updates when required	Recurring	Regeneration	Reflow Studio	1	4,500
HPBC	Laundry Cleaning Services- Pavilion Gardens	To clean Table Cloths & Chef Whites	Recurring	Visitor Services - Pavilion Gardens	Bright Laundry & Dry Cleaning	1	9,000
HPBC	Glossop Halls - HLF Application Consultancy Support	Project Mgmt to support first round bid process for HLF (Development and Delivery element)	One-off	Democratic & Community - Communities & Partnerships	Focus Consultants LLP	1	2,025
HPBC	Hartington Gardens - Replacement lounge chairs	Supply of new furniture	One-off	Customer Services - Housing Tenancy Services	Christopher Guy Interiors Ltd	1	4,770

Auth.	Contract name	Contract Description	Recurring or One-off contracts	Service Area	Contract Awarded To	Term years	Total Contract Value (incl. extension)
High Value (>172,000)							
Joint	Digital self service portal	New potential requirement, mechanism to support channel shift	Recurring	Organisational Development & Transformation - ICT	IEG 4	1 (1+1)	240000 (Yr 1 £63,000)
Low Value (<172,000)							
Joint	Asset Valuation Services	Professional services to complete asset valuations of the council's assets	Recurring	Finance - Mainstream	Urban Vision (Capita Symonds)	3	114,135
JOINT	Treasury management advisory services	Provision of specialist TM Services	Recurring	Finance - Mainstream	Capita Treasury Solutions Ltd	3	72,000
Joint	Open Space Sport and Recreational update to Local Plan report	Study in relation to Open space sports and recreational grounds to update local plans for HP and SM	One-off	Regeneration	Knight Kavanagh & Page	1	51,912
Joint	Bedding Plants Framework	Supply of bedding plants and plants for planter containers for Summer and Winter/Spring - collaboration with Stoke-on-Trent CC & Tamworth BC	Recurring	Operational Services - Horticulture	Les Halman Nurseries	2	47,482
Joint	Payroll Services	Provision of payroll service	Recurring	Finance - Mainstream	Stoke-On-Trent City Council	1	22,000
Joint	Provision of Occupational Health Advisory Services	Three year contract for provision of Occupational Health Services	Recurring	Organisational Development & Transformation - HR	Hobson Health	1	11,000
JOINT	CIVICA API	Civica work in relation to customer Portal - Bring Ctax and Benefits Information to enable display to customers	Recurring	Organisational Development & Transformation - ICT	Civica	1	21,000
JOINT	Consultancy Licensing and Building Control Reviews	Consultancy support	One-off	Organisational Development & Transformation - ICT	Solace in Business	1	15,800
JOINT	Tarmacking works to Cemeteries Buxton and Leek	Resurfacing of footpaths Buxton, ground works to build new path at Leek Cemetery	One-off	Operational Services	LOT 1 MC Properties LOT 2 Horticon Ltd	1	13,280

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JOINT	CCTV Specialist Consultancy	Consultant required to support CCTV Project	One-off	Democratic & Community - Communities & Partnerships	SGW Safety & Security Ltd	1	8,500
JOINT	Water Sampling	Water samples at 39 Sites across SMDC and HPBC as per DWI statutory Requirement	One-off	Regulatory Services - Environmental Health	RHE Regulation and Compliance	1	8,800
JOINT	Complaints Workflow Module	Development of IT solution to administer Complaints handling.	Recurring	Organisational Development & Transformation - ICT	Digital Interactive	1	2,800
Joint	Provision of Customer Relations Management system (CRM)	Site licence for CRM and support costs	Recurring	Organisational Development & Transformation - ICT	Not to be renewed		-
Joint	CRM (aspire)	CRM (Aspire)	Recurring	Organisational Development & Transformation - ICT	Not to be renewed		-
Joint	Accounts payable - Forensic Audit	Audit of the Purchase ledger activity over the past five years	Recurring	Finance - Mainstream	Project not required		-