



2017/18

**First 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 originally 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 Council's 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.
- 1.5 The Procurement Strategy along with an update of the Procurement Procedure Rules is scheduled for presentation during 2017/18.

2. First Quarter Completed Procurements

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

First Quarter	High Value (> £172,000)	Low Value (< £172,000)	Total
HPBC Only	4	22	26
JOINT (HP/SM)	0	11	11
TOTAL	4	33	37

2.2 Annex A provides details of the 37 procurement exercises reviewed and completed during Quarter 1.

2.3 As a result of procurement activity during Quarter 1, £15,000 (£6,000 HRA) in cashable savings have been achieved from procurement activity – which have been offset against the efficiency programme. This relates primarily to contract renewals.

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

3. 2017/18 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 in 2017/18.

2017/18 Activity	High Value (> £172,000k)	Low Value (< £172,000k)	Total
HPBC	4	25	29
JOINT (HP/SM)	7	18	25
TOTAL	11	43	54

In addition to the above, there are 162 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 2017/18 includes:-

- Leisure Centre Management
- CCTV Maintenance and Monitoring Arrangements
- Elections Printing and Canvass Services
- Electrical Inspections and Services – HRA Housing Properties

- Gas Servicing & Maintenance – HRA Housing Properties
- Construction Materials Supply
- Sub-contractor framework – Minor Works

3.3 The Procurement team are also supporting on the Waste, Street Scene and Parks joint venture delivery model and Facilities Management project. In addition to managing the Hybrid Mail project for High Peak BC and Staffordshire Moorlands DC.

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 first quarter is highlighted below:-

Performance Indicator	Target	Performance at 30 th June 2017
% of Alliance Procurement Activity on Forward Plan	65%	70%
Annual contract spend as % of gross expenditure budget	72%	69%
% Of invoices paid within 30 days	95%	94%

4.3 Performance Indicators have fallen short of target in terms of on-contract spend and invoice payments within 30 days:-

On-Contract Spend PI:

- It should be recognised that there has been a positive increase to the on-contract spend PI, since 16/17 quarter four. There has been significant activity during the first quarter completed for Visitor Services Pavilion Gardens which will result in the supplies being all on-contract coming into realisation in quarter two, which will be included in this PI.

Supplier Payments PI:

- This is measured and reported on a monthly basis. After a review of quarter one in 16/17 we have identified that the PI is in a similar position as at that time and the annual target was achieved and will be recovered.

ANNEX A**First Quarter Procurement Activity Completed**

Auth	Contract name	Contract Description	Recurring or One-off contracts	Service Area	Contract Awarded To	Term years	TCV (inc exts)
High Value (>172,000)							
HPBC	Council House Kitchen Refurbishments (HRA Capital) 17/18	Refurbishment of kitchens and associated works, including flooring, decorating, gas alterations and electrical upgrades to 32 properties at various locations throughout the borough	Recurring	Assets Housing Capital	Emanuel Whittaker Ltd	1	457,672
HPBC	Buxton Opera House Refurbishment Works	Repair works to internal and external	Recurring	Assets Capital Projects	G F Tomlinson Ltd	1	323,344
HPBC	Council House Roofing & Roofline Works (HRA Capital) 17/18	Completion of roof works to Housing Stock (Capital Programmes HRA) - Schedule of rates basis tendered.	Recurring	Assets Housing Capital	Allied Roofing & Construction Ltd	1	228,000
HPBC	Waste - Refuse Collection and Recycling (HPBC)	Outsourced Waste Collection Services for High Peak (Aug 17)	Recurring	Operational Services - Waste & Street Scene	N/A - Not to be re-procured as a Public Service contract. Joint Venture arrangement (HP/SM/Ansa)	N/a	N/a
Low Value (<£172,000)							
HPBC	Scaffolding Hire Services	Scaffolding Services Hire predominantly for Operational Direct Services (HPBC Housing Stock).	Recurring	Operational Services - DLO	Scaffolding Group	3	150,000
HPBC	Kitchen Units and Sundries Supply (Housing Stock)	Provision of kitchen units, worktops, plinths and sinks / taps	Recurring	Assets Housing Capital	Magnet Contract Kitchens	1	119,893
HPBC	Council Housing Bathroom Renewals (HRA Capital) 17/18	Bathroom upgrades	Recurring	Assets Housing Capital	Novus Property Solutions Ltd	1	82.732
HPBC	Wet sales - Bar/ Drinks Supply Pavilion Gardens Catering	Supply of Bar drinks supply	Recurring	Visitor Services - Pavilion Gardens	Soft Drinks - Framework £23,695 Vividas, Holdsworth, Bebida. Beers £36,758 Wines £20,378 Vividas	1	80,831

Auth	Contract name	Contract Description	Recurring or One-off contracts	Service Area	Contract Awarded To	Term years	TCV (inc exts)
HPBC	Advisor in respect of Council Owned land and accelerated Housing Delivery	HP accelerated Housing Delivery support	One-off	Regeneration	B E Group Ltd	1	68,666
HPBC	Arboricultural Works (Interim 12 month High Peak)	Additional (interim) contract to support main contract ref: T2014-049 for High Peak area	Recurring	Operational Services - Horticulture	Thompson Tree Services	1	30,000
HPBC	Kitchen Consumables Pavilion Gardens Catering	Consumables for kitchen and general operations	Recurring	Visitor Services - Pavilion Gardens	Nisbets Plc	1	18,333
HPBC	Memorial Park Whaley Bridge Cenotaph	Additional restoration works to natural stone pave area currently lawned to either side of the cenotaph. These works are approved by the Heritage Lottery as part of the overall scheme for the Memorial Park Restoration Project	One-off	Operational Services - Horticulture	Horticon Ltd	0	5,094
HPBC	Air quality analysis and supply of diffusion tubes	Analysis and reporting on diffusion tube data from air quality monitoring sites	Recurring	Regulatory Services - Environmental Health	Air Quality Consultants	1	4,450
HPBC	Council for Voluntary Services	Provision of support to local community and voluntary organisations.	Recurring	Democratic & Community - Communities & Partnerships	N/A - Grant Contribution	n/a	n/a
HPBC	Large Diameter Gas Pipe Connection Pavilion Gardens	A new revised large diameter gas connection is required to fee the new heating system at PG. M&E upgrade works	One-Off	Assets Capital Projects	N/A - No bids received, exercise suspended. Delivered through main contractor arrangement with Gelder	0	5,000
HPBC	Planning Committee Refreshment	Lunch for councillors attending each meeting of the Planning Applications Committee	Recurring	Democratic & Community - Democratic Services	N/A - Below threshold activity	n/a	£1,000 p/a
HPBC	Professional Services Vet Inspections	To provide vet inspections when required	Recurring	Regulatory Services - Environmental Health	Not Awarded - No Contract required Ad Hoc requirements – under £500 p/a	n/a	n/a

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HPBC	IT Licence - Mobile Working Software (Mobizimo)	Mobile Working Software Solution	Recurring	Organisational Development & Transformation - ICT	Not to be reviewed - Ongoing annual renewals (no exercise required)	n/a	12,000p/a
HPBC	IT Licence - Asset Management System (Keystone – Civica UK Ltd)	Asset Management System	Recurring	Organisational Development & Transformation - ICT	Not to be reviewed - ongoing annual renewals (no exercise required)	n/a	9,467 p/a
HPBC	IT Licence - Scheduling Software	PTC Scheduling Software	Recurring	Organisational Development & Transformation - ICT	Not to be reviewed - ongoing annual renewals (no exercise required)	n/a	950.00 p/a
HPBC	Servicing and Monitoring of Air Quality Monitoring	Maintenance and data management contract for the permanent air quality monitoring station at Tintwistle, Glossop	Recurring	Regulatory Services - Environmental Health	Not to be Renewed	n/a	-£3,506
HPBC	IT Licence – Mapinfo (Contract Data Research Ltd)	Mapinfo – support and maintenance charge	Recurring	Organisational Development & Transformation - ICT	Not to be renewed. To be replaced by Stat Map	n/a	1,494 p/a
HPBC	Water Analysis Services (Alcontrol Uk Ltd)	Analysis and reporting on water samples from the private water supply assessment programme	Recurring	Regulatory Services - Environmental Health	Not to be renewed	n/a	1,000 p/a
HPBC	Dogs Home Arrangements (Manchester Dogs Home)	Take in High Peak Stray Dogs	Recurring	Regulatory Services - Environmental Health	Not to Be reviewed – Limited suppliers in the area limit the competition that would be created with an open Tender	n/a	800.00 p/a
HPBC	Boarding Kennels	Kennel High Peak Stray dogs until moved to Manchester Dogs Home	Recurring	Regulatory Services - Environmental Health	Not to Be reviewed – Limited suppliers in the area limit the competition that would be created with an open Tender	n/a	1,000 p/a
HPBC	IT Licence - PDF Software / Writing	Annual Licence arrangement	Recurring	Organisational Development & Transformation – ICT	Not to be renewed - ongoing renewals (no exercise required)	n/a	n/a

JOINT PROCUREMENT ACTIVITY

Auth	Contract name	Contract Description	Recurring or One-off contracts	Service Area	Contract Awarded To	Term years	TCV (inc exts)
Low Value (<£172,000)							
Joint	IT Licence - IBS e-Bens System (Civica UK Ltd)	Annual licences fees for IBS Revs & Bens system	Recurring	Organisational Development & Transformation - ICT	Not to be reviewed- Not replacing current system, no procurement required.	n/a	33,350 p/a
Joint	Horticultural small plant and tool contract	The supply of small horticulture plant and tools and associated sundries	Recurring	Operational Services - Horticulture	Tudor Environmental Ltd	2	22,906
Joint	Westlaw UK	On-line Encyclopaedia of Environmental, Planning and Local Government Law Landlord and Tenant	Recurring	Organisational Development & Transformation - ICT	Not to be reviewed - ongoing renewals (no exercise required)	n/a	14,476 p/a
Joint	Provision of Waste Skip Hire - LOT 1 High Peak area, LOT 2 Sited at Operators Yard, LOT 3 Staffordshire Moorlands Area	Provision of waste skips for High Peak and Staffordshire Moorlands areas and sited at operators yard in Glossop	Recurring	Operational Services - Waste & Street Scene	LOT 3 - Browns Recycling LOT 1 + 2 – Other sourcing options under review	1	11,676
Joint	Encyclopaedia of Forms and Precedents	Manuals updated twice yearly - Thomas Reuters	Recurring	Organisational Development & Transformation - ICT	Not to be reviewed - ongoing renewals (no exercise required)	n/a	7,049 p/a
Joint	Back Scanning of historic documents Planning / Building Control	Scanning of old files to electronic format to ease accessibility from remote offices and to reduce physical storage requirements. Also resilience to accidental loss of files Water fire flood	Recurring	Regulatory Services - Planning & Building Control	Not Awarded – Superseded by Project PROC-2472 – Corporate Contract	n/a	6,000
Joint	Legal Manual updates / Releases (Thomas Reuters)	Manuals updated twice yearly	Recurring	Organisational Development & Transformation - ICT	N/A Not to be reviewed - ongoing renewals (no exercise required)	n/a	1,600 p/a
Joint	Climate Change, Affordable Warmth Policy and Plan	Provision of consultancy to help the council develop a climate changes / sustainability strategy and corporate action plan	One-off	Democratic & Community - Communities & Partnerships	Exercise Suspended - No Longer required	n/a	-2,500

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Joint	New Ariel Photos for High Peak and Staffs Moorlands	Aerial Photos for HP and SM	One-off	Organisational Development & Transformation - ICT	Exercise Suspended / not awarded	n/a	n/a
Joint	Wheeled Bin refurbishment	ESPO 860 ADD procurement framework	Recurring	Operational Services - Waste & Street Scene	Duplicate Item to be removed from LIVE. All sourcing for Bin related products under ESPO860	n/a	n/a
Joint	Specialist software programs - Structural Engineering (A M Resource Ltd)	Structural checking programs - IT application	Recurring	Organisational Development & Transformation - ICT	Ongoing - spend under £500 review at next renewal (spend under £500 p/a)	n/a	n/a