



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 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 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.

2. Fourth Quarter Completed Procurements

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

Fourth Quarter	High Value (> £172,000)	Low Value (< £172,000)	Total
SMDC Only	1	7	8
JOINT (SM/HP)	1	15	16
TOTAL	2	22	24

2.2 Annex A provides details of the 24 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, £240,000 in savings have been offset against the efficiency programme in relation to this analysis.

2.4 Additionally, a further £8,850 in cashable savings have been achieved from procurement activity during 2016/17 to date – which has also been offset against the efficiency programme. This relates primarily to contract renewals.

2.5 A number of one-off procurement exercises have also taken place – which may result in savings against overall budget. This will be assessed when undertaking a comparison of 2017/18 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 (41 SMDC / JOINT) remaining procurement opportunities to be delivered across the Alliance in 2016/17. The number of listed entries for completion still remaining is 57 items across SMDC and HPBC, the table below details the proportion for SMDC and Joint Contract activity.

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
SMDC	-	9	9
JOINT (SM/HP)	1	16	17
TOTAL	1	25	26

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

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

- Victoria Business Park completion works
- Customer Portal IT Solution
- Risk Based Verification / E-forms IT Solution
- Content Managed Website
- Electricity and Gas Supply Contracts
- Liquid Fuels Supply (HP/SM)

3.4 The procurement team have also been supporting the development of the waste collection, street scene and grounds maintenance joint venture service delivery model.

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 fourth 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%	96%

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.

Fourth 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)							
SMDC	Victoria Business Park Completion Works	Completion of Works	One-off	Assets Capital Projects	Whitehouse Construction Ltd	1	£201,196
Low Value (<£172,000)							
SMDC	Biddulph Moor hotscotch park project	New play equipment for Hot Lane site	One-off	Operational Services - Leisure	Hags	1	£54,000
SMDC	Litter Clearance at various sites across the Staffordshire Moorlands	Litter collection and removal of fly tipped waste at informal countryside sites - Wetley Moor Common, Biddulph Grange Country Park, Biddulph Valley Way, Leek brook Line, Marshes Hill Common, Hales Hall Pool, Ladderedge Country Park.	Recurring	Operational Services - Horticulture	NOT TO BE AWARDED - Services will be delivered in house – Exercise Suspended	n/a	£8,600
SMDC	Ipstones Planning Appeal	Planning appeal specialist technical support	One-off	Regulatory Services - Planning & Building Control	Reading Agricultural Consultants	1	£890
SMDC	Replacement Street Furniture Derby St	Replacement street furniture for Derby Street	One-off	Assets Capital Projects	Fairway Landscapes Ltd	1	£5,505
SMDC	Woodcroft and Wallbridge	Purchase of equipment and installation	One-off	Operational Services - Leisure	PROC-2716 (LOT 2) Fairway Landscapes PROC-2715 (LOT 1) Play Force Ltd	1	PROC-2716 (LOT 2) £9,670 PROC-2715 (LOT 1) £5916
SMDC	Water level monitoring (Monitor Equipment purchased separately as required) at Hales Hall Pool	Monitoring of water levels at Hales Hall Pool reservoir - quarterly visits & management of telemetry and alarm system	Recurring	Operational Services - Horticulture	Mouchel Ltd	1	£2,476
SMDC	Leek Mill Quarter Regeneration Site - Design team appointment	Acquisition of privately owned redundant mill building in Leek.	One-off	Regeneration	EXERCISE ON HOLD WHILST OPTIONS ARE BEING EXPLORED		-

Auth	Contract name	Contract Description	Recurring or One-off contracts	Service Area	Contract Awarded To	Term / Duration (years)	Total Contract Value (inc 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	£240,000 (Yr 1 £63,000)
Low Value (<172,000)							
Joint	Asset Valuation Services	Professional services to complete asset valuations of council 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 & recreational grounds to update local plans for HP/SM	One-off	Regeneration	Knight Kavanagh & Page 1-2 Frechville Court Bury Lancashire BL9 OUF	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	CIVICA API	Civica work in relation to customer Portal - 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

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	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	CCTV Specialist Consultancy	Consultant required to support CCTV Project	One-off	Democratic & Community - Communities & Partnerships	SGW Safety & Security Ltd	1	£8,500
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		-