



**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 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 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 are scheduled for presentation during 2017/18.

## 2. First Quarter Completed Procurements

- 2.1 The activity supported by the procurement function during April – June 2017 is summarised below:

First Quarter	High Value (> £172,000)	Low Value (< £172,000)	Total
SMDC Only	0	11	11
JOINT (SM/HP)	0	11	11
<b>TOTAL</b>	<b>0</b>	<b>22</b>	<b>22</b>

- 2.2 Annex A provides details of the 22 procurements exercises reviewed and completed during Quarter 1.
- 2.4 As a result of procurement activity during Quarter 1, £2,500 in cashable savings has been achieved from procurement activity – which have 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 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.

<b>2017/18 Activity</b>	<b>High Value (&gt; £172,000k)</b>	<b>Low Value (&lt; £172,000k)</b>	<b>Total</b>
SMDC	4	18	22
JOINT (SM/HP)	7	18	25
<b>TOTAL</b>	<b>11</b>	<b>36</b>	<b>47</b>

In addition to the above, there are 162 listed entries brought forward from previous years for review for both HPBC and SMDC.

- 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
  - Leek Markets Operational Delivery
  - Leek Markets Logistic Support (Market stalls)
- 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 <sup>th</sup> June 2017
% of Alliance Procurement Activity on Forward Plan	65%	70%
Annual contract spend as % of gross expenditure budget	72%	66%
% 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 2016/17 quarter four and the Procurement team will endeavour to continue this improvement.

- **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)
<b>Low Value (&lt;£172,000)</b>							
SMDC	Economic Impact Study – Agriculture Supply Chain and Agri-tech Industries in Staffordshire Moorlands	To provide evidence base for projects that will support longer term income generation to the Council and support economic growth.	One-Off	Regeneration	Mickledore Ltd	0	14,968
SMDC	Grass Cutting and Vegetation Clearance at various sites across Staffordshire Moorlands	Grass Cutting & Vegetation Clearance at Wetley Moor Common and informal countryside sites to enable access on paths, around car parks and at entrance locations	Recurring	Operational Services - Horticulture	Burleys	1	9,059
SMDC	Noise and Vibration Study for Leek Brook (Planning Application)	In connection with Planning application for Leekbrook	One-Off	Regeneration	24 Acoustics	0	3,975
SMDC	Air quality analysis and supply of diffusion tubes	Analysis and reporting on samples assessment programme and on diffusion tube data from air quality sites	Recurring	Regulatory Services - Env Health	Air Quality Consultants	1	3,750
SMDC	Viability Assessment for a planning application	Specialist Consultancy Support	One-Off	Regulatory Services - Planning & Building Control	Thomas Lister	0	2,500
SMDC	Bat & reptile Study for Leekbrook (Planning Application)	Specialist Consultancy Support	One-Off	Regeneration	Smart Ecology	0	1,199

SMDC	Habitat Study for Leekbrook (Planning Application)	Specialist Consultancy Support	One-Off	Regeneration	Brindle & Green Ltd	0	600.00
SMDC	Professional Vets Services	To provide vet inspections when required for Riding School Establishments	Recurring	Regulatory Services – Env Health	N/A No Contract required Ad Hoc requirements	0	<£2,000 p/a
SMDC	Rush and Hay Cutting Wetley Moor	Grounds work Wetley Moor Staffs Moorlands	Recurring	Operational Services - Horticulture	N/A Not to be renewed (extent of previous cutting not now required)	n/a	
SMDC	Dog Home Kennelling (Tenford Kennels)	Stray dogs temporary Kennels for SMDC	Recurring	Regulatory Services - Environmental Health	N/A Not to Be Reviewed - Limited suppliers in the area to provide this service	n/a	
SMDC	ArcGIS	ArcGIS annual support & maintenance	Recurring	Organisational Development & Transformation - ICT	Not to be renewed - software to be replaced by Stat Map	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)
<b>Low Value (&lt;£172,000)</b>							
Joint	IT Licence - IBS e-Bens System (Civica UK Ltd)	Annual 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 Housing, Environmental, Planning, Landlord and Tenant and Local Government Law together with Emmett on Title	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	On-line Encyclopaedia of Law forms, commentaries and precedents	Recurring	Organisational Development & Transformation - ICT	N/A Not to be renewed - 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	N/A 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	N/A Exercise Suspended - No Longer required	n/a	-2,500

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 - Insufficient budget	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	n/a	n/a