



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 |

| Auth | Contract name | Contract Description | Recurring or One-off contracts | Service Area | Contract Awarded To | Term years | TCV (inc exts) |
|------|---|--|--------------------------------|---|--|------------|----------------|
| 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 |

| Auth | Contract name | Contract Description | Recurring or One-off contracts | Service Area | Contract Awarded To | Term years | TCV (inc exts) |
|-------|--|---|--------------------------------|---|---|------------|----------------|
| 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 |