



2017/18

**Second 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 Procedure Rules have been recently updated and the updated Procurement Strategy is scheduled for presentation during 2017/18.

2. Second Quarter Completed Procurements

2.1 The activity supported by the procurement function during July – Sept 2017 is summarised below:

Second Quarter	High Value (more than £172,000)	Low Value (less than £172,000)	Total
SMDC Only	-	10	10
JOINT (SM/HP)	-	15	15
TOTAL	-	25	25

2.2 Annex A provides details of the 25 procurements exercises reviewed and completed during Quarter 2.

2.4 As a result of procurement activity, at the end of Quarter Two cashable savings of £3,370 have been achieved to date, which have been offset against the efficiency programme.

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.

2017/18 Activity	High Value (more than £172,000)	Low Value (less than £172,000)	Total
SMDC Only	4	17	21
JOINT (SM/HP)	7	23	30
TOTAL	11	40	51

3.2 In addition to the above, there are 123 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 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 second quarter is highlighted below:

Performance Indicator	Target	Performance at 30th September 2017
% of Alliance Procurement Activity on Forward Plan	65%	71%
Annual contract spend as % of gross expenditure budget	72%	74%
% Of invoices paid within 30 days	95%	95%

ANNEX A

Second Quarter Procurement Activity Completed

Auth	Contract name	Contract Description	Recurring or One-off contracts	Service Area	Contract Awarded To	Term years	TCV Including extensions
Low Value (<£172,000)							
SMDC	The Wentlows Play Area Improvements	The Wentlows Play area Improvements	One-off	Operational Services - Horticulture	Sutcliffe Play Limited	0	£47,998
SMDC	Changing room South Moorlands Leisure Centre (Cheadle) Flat Roof Repairs	As part of the assets review surveys it has been identified that the structural roof covering element to the Plant Room and the Changing Room Roof has past its life expectancy	One-off	Assets Capital Projects	Castle Contractors	0	£27,281
SMDC	Wetley Moor Turf Stripping and Heather Cutting	Turf stripping and heather cutting as part of ecological management on sensitive sites of high nature conservation value- Wetley Moor common	Recurring	Operational Services - Horticulture	Terra Firma	1	£20,949
SMDC	Purchase of Curtains for Moorlands House	Refurbishment of Dove Room	One-off	Assets	Curtain Design Leek	0	£2,530
SMDC	Moorlands House Dove Room Refurbishment	Refurbishment of Dove Room	One-off	Assets	Neil Wright	0	£5,245
SMDC	Wetley Moor Scrub Clearance	Statutory obligation to manage the heathland SSSI. The Council is legally obliged to manage the SSSI (Site of special scientific interest)	Recurring	Operational Services - Horticulture	Hamps Valley Ltd	1	£3,490
SMDC	Site Map Assessment	Site Map Assessment for landscape and heritage impact	One-off	Regeneration	Wardell Armstrong	0	£3,389

SMDC	Replacement part for playground at Church Road Play area	Replacement part following damage at Church road Play area	One-off	Operational Services - Horticulture	Proludic	0	£2,507
SMDC	Tree Study for Leekbrook (Planning Application)	Tree Study - arboricultural appraisal for planning permission RE: Leekbrook (Rail track)	One-off	Regeneration	Hamps Valley	0	£850
SMDC	Cornhill East - EIA & Mitigation Implementation Plan	Consultancy support - EclA RE: Cornhill East Development Site	One-off	Regeneration	Not Awarded – Exercise suspended at this stage	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	Taxi Plates and Brackets	Taxi Plates and Brackets	Recurring	Regulatory Services - Licensing	VIP System Limited	1	£25,000
Joint	Financial System Integra	Finance and e-procurement system	Recurring	Organisational Development & Transformation – ICT	Capita Secure Information Solutions	1	£12,767
Joint	Live Scanning of files	Scanning of documents received by customer services and also scanning of applications	Recurring	Customer Services - Customer Services	Not to be renewed	N/a	N/a
Joint	Benefits Claim Forms printing	Production, printing and delivery of Benefits Claim Forms for each authority	Recurring	Customer Services - Benefits	Not Awarded – online facility	N/a	N/a
Joint	Statmap GIS	Statmap GIS software for intranet	Recurring	Organisational Development & Transformation - ICT	Software Licences: Ongoing annual renewals -		

Joint	On-line employment law manual	One year subscription	Recurring	Organisational Development & Transformation - HR	Transformation Service reviewing all licence agreements, Procurement not required. Removed from Procurement Forward Plan
Joint	Flare	EH/Waste/Integration software	Recurring	Organisational Development & Transformation - ICT	
Joint	Limehouse	Regen software	Recurring	Organisational Development & Transformation - ICT	
Joint	Election software	Express software	Recurring	Organisational Development & Transformation - ICT	
Joint	BACS Payments Software	BACS Payments Software	Recurring	Organisational Development & Transformation - ICT	
Joint	LLPG (Local Land & Property Gazeteer)	Property database	Recurring	Organisational Development & Transformation - ICT	
Joint	I-LAP	DC/BC/Lic&Land charges	Recurring	Organisational Development & Transformation - ICT	
Joint	iCritical software	Annual subscription to anti-virus, imager control, and other network security software [Email filtering only, supplier for Web filtering being sourced]	Recurring	Organisational Development & Transformation - ICT	
Joint	IT - Revenues and Benefits system (shared module licences support and maintenance)	IT system licences	Recurring	Organisational Development & Transformation - ICT	
Joint	LalPac	Licensing software	Recurring	Organisational Development & Transformation - ICT	