



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 originally agreed 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 staffing 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 Council to be fully compliant in accordance with the 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 for the second quarter July to September 2017 is summarised below:

Second Quarter	High Value (more than £172,000)	Low Value (less than £172,000)	Total
HPBC Only	3	30	33
JOINT (HP/SM)	-	15	15
TOTAL	3	45	48

2.2 Annex A provides details of the 48 procurement exercises reviewed and completed during quarter 2.

2.4 As a result of procurement activity, at the end of quarter 2, cashable savings of £16,000 (£6,000 HRA) 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.

Second Quarter	High Value (more than £172,000)	Low Value (less than £172,000)	Total
HPBC Only	7	38	45
JOINT (HP/SM)	7	23	30
TOTAL	14	61	75

In addition to the above, there are 123 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:

- Pavilion Gardens Operating Concession Contract
- 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 grounds maintenance 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%	71%
% of invoices paid within 30 days	95%	96%

4.3 Performance Indicators have fallen short of target in terms of on-contract spend:-

On-Contract Spend PI:

- There has been a targeted improvement during quarter 2 (quarter 1 69%), there are a number of key priority areas for supplies later in the year for the housing repairs service which will contribute to a further increase in on-contract spend.

ANNEX A

Second Quarter Procurement Activity Completed

Authority	Contract name	Contract Description	Recurring or One-off contracts	Service Area	Contract Awarded To	Term years	Total Contract Value - includes extensions
High Value (>172,000)							
HPBC	Boiler Replacement Programme 171/8 HRA Housing	Capital works Housing HPBC	Recurring	Assets Housing Capital	Dodd Group (Midlands) Ltd	One off	£604,541
HPBC	Food Supplies (Fresh, Dry& Frozen)	Supply of foods for Pavilion Gardens	Recurring	Visitor Services - Pavilion Gardens	Frozen Goods - Bidvest, Holdsworth & Eden Farm Dry Goods - Bidvest & Holdsworth Fresh - Tomsons, Blackhurst, Clifton, Mac Burnham, RG Morris, Underwood Meat, Seafood Holdings, M& J Seafoods, Hartington Cheese & Wine, Bidvest, Bakewell Bakery	1 + 1	£437,940
HPBC	Aids & Adaptations - HRA Bathrooms	Carry out minor and major adaptations works following OT assessments	Recurring	Assets Housing Capital	Novus Property Solutions Ltd	1	£300,000
Low Value (<£172,000)							
HPBC	Hartington Gardens Boiler Plant Renewal - Installation and Servicing	Replacement of plant room. Installation of new heating boilers and separate provision of hot water	One-off	Assets Housing Capital	Warmer Energy Services	0	£160,103
HPBC	Street Sweepers	Interim short term rental - Single Source	Recurring		Dawson Rentals Sweepers	1	£74,880
HPBC	Glossop Leisure Centre Roof renewal	Replacement of flat roof	One-off	Assets Capital Projects	Fulwood Contractors	0	£72,828
HPBC	Eccles Fold Commercial Boiler Replacement- Installation	Replacement of a communal heating system at Eccles Fold Sheltered Housing Scheme	One-off	Assets Housing Capital	Warmer Energy	0	£58,316

HPBC	Fire Damage Repair - Council Property New Mills	Fire Damage repair at 111 New Street New Mills	One-off	Assets Housing Capital	Novus Property Solutions	0	£31,469
HPBC	Hartington Gardens Boiler Plant Renewal - Equipment Supply	Supply of new Boiler plant equipment for Hartington Gardens project - Product sourced via Fusion 21 Valiant	One-off	Assets Housing Capital	Grahams The Plumbers	0	£31,168
HPBC	Eccles Fold Boiler plant Equipment Supply	Purchase of materials for the Boiler replacement at Eccles Fold Chapel	One-off	Assets Housing Capital	Grahams Plumbers	0	£16,000
HPBC	Brown Edge Road Planning appeal - General Planning Evidence	Brown Edge Road Planning appeal - General Planning Evidence	One-off	Regulatory Services - Planning & Building Control	White Peak Planning	0	£15,000
HPBC	Brown Edge Road Planning Appeal - Counsel	Brown Edge Road Planning Appeal - Counsel	One-off	Regulatory Services - Planning & Building Control	Giles Cannock	0	£15,000
HPBC	Food Supplies Eggs Pavilion Gardens Buxton	Supply of Fresh foods for Pavilion Gardens (Eggs Only)	Recurring	Visitor Services - Pavilion Gardens	Eggs (PROC-2567 C) Award to Tomsons	1+1	£14,046
HPBC	Ecological surveys and advice	Ecological surveys and advice	Recurring	Regeneration	Derbyshire Wildlife Trust	1	£13,100
HPBC	Asset Management and Office Accommodation Review	Asset Management and Office Accommodation Review	One-off	Assets M&E	Cushman & Wakefield	0	£10,974
HPBC	Hartington Gardens Boiler Plant Renewal - Design Element of Project	Principle Designer Role and project management.	One-off	Assets Housing Capital	Morgan Lambert	0	£10,000
HPBC	Brown Edge Road Planning appeal - Landscape Evidence	Brown Edge Road Planning appeal - Landscape Evidence	One-off	Regulatory Services - Planning & Building Control	Enzygo	0	£8,538
HPBC	Eccles Fold Commercial Boiler Replacement- Design and PM Services	Principle Designer Role and project management. Eccles Fold replacement	One-off	Assets Housing Capital	Morgan Lambert	0	£8,500
HPBC	Brown Edge Road Planning appeal - Housing land supply Evidence	Brown Edge Road Planning appeal - Housing land supply Evidence	One-off	Regulatory Services - Planning & Building Control	Urban Vision	0	£7,695
HPBC	New Lounge and dining furniture Queens Court Sheltered Scheme	Supply of new furniture for Queens Court communal areas	One-off	Customer Services - Housing Tenancy Services	Nigel Wilkinson	0	£6,375

HPBC	Installation of new Swings at Bridgemont Play Area	Replacement of 2 Swing sets including the safety surfacing to meet current standards.	One-off	Operational Services - Horticulture	AMG Sport play Ltd	0	£5,888
HPBC	Viability Assessment at Dinting Road Glossop	Viability assessment required at Dinting Vale Glossop for a planning application	One-off	Regulatory Services - Planning & Building Control	GVA	0	£4,000
HPBC	Passive Seismic Survey	Passive Seismic Survey, British Geology Survey	One-off	Legal & Election Services	British Geology Survey	0	£3,291
HPBC	Elnor Lane Landscape Assessment	Landscape assessment in support of Planning application	One-off	Regulatory Services - Planning & Building Control	Stuart Ryder	0	£2,313
HPBC	Widening of Footpath access at Marion Court Buxton	The foot path at Marion Court required works to enable easy access for residents and visitors	One-off	Assets Housing Capital	Derbyshire County Council	0	£2,280
HPBC	Charlestown works Viability Assessment	Second opinion required re the viability study	One-off	Regulatory Services - Planning & Building Control	Keppie Massey	0	£2,250
HPBC	D.A. Benefits Calculator	Benefits calculator software	Recurring	Organisational Development & Transformation - ICT	Software Licences: Ongoing annual renewals - Transformation Service reviewing all licence agreements, Procurement not required. Removed from Procurement Forward Plan		
HPBC	Choice Based Lettings System	Choice Based Lettings System	Recurring	Organisational Development & Transformation - ICT			
HPBC	Infomaker Report Writing Software	Report Writing Software	Recurring	Organisational Development & Transformation - ICT			
HPBC	Geo-Environ	Geo-Environ software	Recurring	Organisational Development & Transformation - ICT			
HPBC	Dynamic Resource Scheduling System	Opti-time Dynamic Resource Scheduling System	Recurring	Organisational Development & Transformation - ICT			
HPBC	Graphical Repairs Ordering System	Graphical Repairs Ordering System	Recurring	Organisational Development & Transformation - ICT			
HPBC	Housing Management System	Housing Management System	Recurring	Organisational Development & Transformation - ICT			

JOINT PROCUREMENT ACTIVITY

Authority	Contract name	Contract Description	Recurring or One-off contracts	Service Area	Contract Awarded To	Term years	Total Contract Value - includes extensions
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 & delivery of Benefits Claim Forms	Recurring	Customer Services - Benefits	Not to be renewed	N/a	N/a
Joint	Statmap GIS	Statmap GIS software for intranet	Recurring	Organisational Development & Transformation - ICT	Software Licences: Ongoing annual renewals - Transformation Service reviewing all licence agreements, Procurement not required. Removed from Procurement Forward Plan		
Joint	On-line employment law manual	One year subscription	Recurring	Organisational Development & Transformation - HR			
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	Recurring	Organisational Development & Transformation - ICT			

		filtering being sourced]			
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	