



2018/19

**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 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 is now embedded. 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 2018/19.

2. First Quarter Completed Procurements

2.1 The activity supported by the procurement function during the first quarter April - June 2018 is summarised below:

First Quarter	High Value (> £181,000)	Low Value (< £181,000)	Total
SMDC Only	1	13	14
JOINT (SM/HP)	1	6	7
TOTAL	2	19	21

2.2 Annex A provides details of the 21 procurements exercises reviewed and completed during Quarter 1.

2.4 No cashable savings have been made as a result of procurement activity to date this year, this will continue to be monitored throughout the year and any savings identified will be 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. 2018/19 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 2018/19.

2018/19 Activity	High Value (> £181,000)	Low Value (< £181,000)	Total
SMDC Only	1	15	16
JOINT (SM/HP)	7	26	33
TOTAL	8	41	49

3.2 In addition to the above, there are 131 listed entries brought forward from previous years (for review and completion for both HPBC and SMDC combined).

3.3 Some of the more significant 'high level' procurement activity that is scheduled for delivery in 2018/19 includes:-

- Skate park projects Leek and Cheadle
- Leisure centre management
- CCTV maintenance and monitoring arrangements
- Leek markets logistic support (market stalls)
- Insurance

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 30th June 2018
% of Alliance Procurement Activity on Forward Plan	72%	51%
Annual contract spend as % of gross expenditure budget	84%	84%
% of invoices paid within 30 days	96%	95%

4.3 The Council has had a number of issues with suppliers quoting historic Purchase Order (PO's) numbers on invoices which were still active on the system and therefore not rejected, the service area had raised new replacement POs and not closed down the historic ones. The circumstances for this were out of the control of creditors and if the supplier had conformed to the new PO then target would have been achieved for Q1.

4.4 During Quarter 1 there have been a large amount of single source awards and smaller value quotations made for supplies and services which were not originally identified in the pre-quarter 1 consultations with Service Areas. Some of these are reactive and could not have been foreseen or planned however there is still activity that fits into lower value thresholds which previously would not have been reported on, values £2-5K. Quarter 2 consultations with Service Managers are underway to incorporate any activity that may not have previously been identified to procurement.

5. Revision to Authorisation thresholds – Council's Procurement Procedure Rules

5.1 Under EU Directives and Public Contract Regulations 2015 the thresholds for Supplies, Services and Works change every two years. The Council aligns the identification of high level Value category of exercise using the EU Supplies and Services threshold.

5.2 The latest revision to the thresholds regulation was made in January 2018, the threshold increased from £164,176 to £181,302. In order that the Council maintains consistency in this strategy, approval is sought for Annex B of this

report (*ANNEX C - Authority to Procure and Award* of the Council's Procurement Procedure Rules) to be updated to reflect this increase.

ANNEX A**First Quarter Procurement Activity Completed – SMDC**

Contract	Description	Recurring / One-off	Procedure	Service Area	Award	Term (yrs)	Total Contract Value
Butter and Trestle market repairs	Refurbishment works to the Butter and Trestle market inc new roof windows, heating, lights, painting and doors. Roof repairs to make the building wind and water tight	One-off	Framework Direct Award	Assets Capital Projects	GF Tomlinson	1	301,000
Civic Transport Services	Provision of car and driver for SMDC Chairman and Vice Chairman	Recurring	Single Source	Democra tic Services	Shires Executive Travel		29,942
SM Car parks Refurbishment Programme	Appointment of Consultant to assist in the car park refurbishments required	One-off	Framework Direct Award	Assets Capital Projects	Townsend & Reanaudon	3	23,528
Rope Pyramid Westwood Rec Leek	Installation of a rope Pyramid at Westwood Rec Leek	One-off	Framework Further Comp	Ops Services	Hags SMP	1	12,257
Moorlands House Installation of Hearing Loops	Installation of hearing loops	One-off	Tender	Assets Capital Projects	Safe & Sound Products Ltd	1	11,799
Investment and Acquisition strategy for Staffordshire	Consultancy	One-off	Single Source	Regen	CBRE Ltd	1	9,500
Grass Cutting and Vegetation Clearance at various sites across the Staffordshire Moorlands	Grass Cutting & Vegetation Clearance at Wetley Moor Common and informal countryside sites	Recurring	RFQ	Ops Services	County Grounds Services Ltd	1	8,895

Contract	Description	Recurring / One-off	Procedure	Service Area	Award	Term (yrs)	Total Contract Value
Full Ecological Survey of Brough park Lake and Margins	Full survey required	One-off	RFQ	Ops Services	BSG	1	5,450
Local Plan Heritage & Landscape response to representation	Consultancy Appointment	One-off	Single Source	Planning	Wardell Armstrong	1	4,138
Ayr Road Cheadle Planning	Consultancy support assessment	One-off	Single Source	Planning	Keppie Massey	1	3,500
Leek Markets - Table Covers	Covers for Leek Market Stalls	One-off	RFQ	Visitor Services - Tourism & Markets	City B Group	1	2,512
JCB Ciecily Mills Viability Assessment	Independent review / assessment of viability report	One-off	RFQ	Planning	Keppie Massie	1	1,850
Milward House Viability Assessment	Viability Assessment	One-off	Single Source	Planning	Keppie Massie	1	1,850
Pickwood Recreational Ground Leek	Tarmac path repairs	One-off	RFQ	Ops Services	MCP Properties	1	2,136

JOINT (SMDC / HPBC)

Contract	Description	Recurring / One-off	Procedure	Service Area	Award	Term (yrs)	Total Contract Value
Production of Stationery for Elections	Poll cards, postal voting packs, ballot papers	Recurring	OJEU OPEN Tender Procedure	Legal & Election Services	Electoral Reform Services	2	872,785
Annual Electoral services Canvas	Annual electoral services Canvas (required by regulations) To take place between August and December each year						

Contract	Description	Recurring / One-off	Procedure	Service Area	Award	Term (yrs)	Total Contract Value
Abandoned Vehicle recovery and disposal	To remove and legally dispose and evidence that disposal of vehicles that have been abandoned in the area	Recurring			DS West Motors	2	10,000
Customer Service Excellence Training Course	Training programme for all Alliance Staff on Customer Service Excellence in respective Service areas.	One-off	RFQ	OD & HR	Stuart Graham	1	8,139
East Midlands Law Share	External Legal Procurement framework	Recurring	Framework	Legal & Election Services	East Midlands Law Share Anthony Collins Solicitors (New) Bevan Brittan Browne Jacobson Freeths Geldards Sharpe Pritchard Weightmans	4	Variable
Expert Witness Framework Planning Appeals	Support for Planning challenges etc. One off events core expertise which is required generally over a five year term.	Recurring	Direct Awards	Planning	Not to be Procured under a fixed term arrangement - individual cases will be on Single source appointments		
Barrister Services	Support for Public Enquires and Housing work.	Recurring	Direct Awards	Legal & Election Services	Not to be Procured under a fixed term arrangement - individual cases will be on Single source appointments		

**PROCUREMENT PROCEDURE RULES [ANNEX C]
AUTHORISATION LEVELS (2018 – 2020)**

**ANNEX C – SUMMARY OF AUTHORITY TO PROCURE AND AWARD
THRESHOLDS**

Award and Exemptions Authorisation Limits:

Total Contract Value (£)	Authorisation	Authorisation By
<25,000	Head of Service / Executive Director	Webform
>25,000 - <181,302 (EU Service Threshold)	Executive Director / Chief Executive	Webform
>181,302 (EU Service Threshold) - <1,000,000	Delegated Member Decision	Delegated Member Report (Portfolio Holder for Procurement and the relevant service area)
>1,000,000*	Cabinet SMDC Executive HPBC (with prior Scrutiny Committee)	Committee Report

* Committee reports may be presented where the total contract value is less than £1,000,000 - where considered appropriate due to the nature of the procurement or where it relates to a key decision