



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 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 include:
 - 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 ended some time ago and the new procurement staffing structure is now embedded. This has enabled new working initiatives to be implemented, including the integration of the creditors function into procurement to ensure that 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 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 consideration during 2018/19.

2. First Quarter Completed Procurements

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

First Quarter	High Value (> £181,000)	Low Value (< £181,000)	Total
HPBC Only	-	14	14
JOINT (HP/SM)	1	6	7
TOTAL	1	20	21

2.2 Annex A provides details of the 21 procurement 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 (> £181,000k)	Low Value (< £181,000k)	Total
HPBC	11	35	46
JOINT (HP/SM)	7	26	33
TOTAL	18	61	79

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).

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

- Pavilion Gardens Operating Concession Contract
- Leisure Centre Management
- CCTV Maintenance and Monitoring Arrangements
- Construction Materials Supply
- HRA Kitchen, Central Heating programmes
- Glossop Cemetery Extension
- Glossop Halls Refurbishment Works
- Insurance

4. Procurement Performance

4.1 This section reports on the Council's 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 30th June 2018
% of Alliance Procurement Activity on Forward Plan	72%	51%
Annual contract spend as % of gross expenditure budget	78%	80%
% of invoices paid within 30 days	96%	97%

4.3 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 (*ANENX 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 - HPBC

Contract name	Description	Recurring / One-off	Procedure	Service Area	Contract Awarded to	Term (yrs)	Total Contract Value (£)
Radon Remediation Installations	The Installation of Radon Remediation equipment at identified Council Housing properties	Recurring	Open Tender	Assets Housing Capital	BCS	1+1	124,287
Buxton Opera House Boiler Replacement - Supply and Installation (Works)	Supply and Installation of Replacement Commercial Boiler at Buxton Opera House	One-off	Framework Further Comp	Assets Capital Projects	Warmer Energy Services	1	114,041
					Grahams Plumbers	1	10,325
Marion Court-Boiler plant replacement Labour only	Marion Court-Boiler plant replacement Labour only element of the required works	One-off	Framework Further Comp	Assets Capital Projects	Warmer Energy Services	1	106,110
Consultancy Services in respect of Planning permission of Council owned sites	Consultancy Appointment	One-off	Framework Further Comp	Regen	AMEC Foster Wheeler (Woods)	1	49,650
Glossop Cemetery Extension Programme	Appointment of consultant	One-off	Open Tender	Assets Capital Projects	Cemetery Development Services	2	37,700
Corbar Road Flats Window Replacements	Replacement window programme for Corbar Road High Peak	One-off	Open Tender	Assets Housing Capital	Sovereign Group Limited	1	36,900
Short term Hire Tipper Vehicles	Short term Hire of 2 Tipper Vehicles for the Grounds Maintenance team (26wks hire)	Recurring	Framework Direct Award	Op Services Fleet	Northgate Vehicle Hire	1	22,400

Contract name	Description	Recurring / One-off	Procedure	Service Area	Contract Awarded to	Term (yrs)	Total Contract Value (£)
Flail Mowing - Rural Highway Verges (HPBC for DCC Highways)	Rural highway verges clearances and cutting	Recurring	RFQ	Op Services Grounds	Wealden Farm & Equine	3	18,531
Marion Court Boiler plant replacement (Materials only)	Marion Court Boiler plant replacement - Materials only	One-off	Framework Further Comp	Assets Capital Projects	Grahams The Plumbers	1	11,165
Marion Court Boiler Plant replacement (Design and Contract Management)	Marion Court Boiler Plant replacement - Design and Contract Management including CDM	One-off	Framework Further Comp	Assets Capital Projects	Morgan Lambert	1	9,250
Fairfield Gateway Improvements Programme	Architectural/planning expertise required to prepare design guidance and master planning (Fairfield Road, Buxton)	One-off	RFQ	Regeneration	CTD Christopher Taylor Design Ltd	1	9,200
Consultant Architect VOIDs HPBC	Consultant required for the specification of required works, Principle designer under CDM, manage works required to bring 2 HRA void properties back in to use	One-off	RFQ	Assets Capital Projects	Michael Dyson Associates	1	5,162
Viability Assessment Fole Dairy	Viability Assessment of Fole Dairy	One-off	RFQ	Planning	Lambert Smith Hampton	1	3,500
Glossop Out door Market Stalls Roof Re cladding	Replacement of the roof cladding on the outdoor market stalls at Glossop	One-off	RFQ	Visitor Services - Tourism & Markets	TC Engineering Limited	1	1,142

First Quarter Procurement Activity Completed

JOINT (HPBC/SMDC)

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						
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

Contract	Description	Recurring / One-off	Procedure	Service Area	Award	Term (yrs)	Total Contract Value (£)
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