

Information/Discussion Paper

Overview and Scrutiny Committee

27 June 2016

Procurement and contract management strategy – 12 month review

This note contains the information to keep Members informed of matters relating to the work of the Committee, but where no decisions from Members are needed

1. Why has this come to scrutiny?

- 1.1 The Procurement and contract management strategy was approved by all GO Shared Services (GOSS) / 2020 partners during 2015. CBC Members approved the strategy in July 2015. The purpose of the common strategy is to develop a foundation and common approach to achieve effective procurement across all partners by focusing on activities which will lead to financial savings, improved practices and efficiency. To make it easier to engage with, and improve the experience for all suppliers especially Small and Medium Enterprises (SME's) and local suppliers where applicable.
- 1.2 Members requested a 12 month review of whether 'culture' has changed since adoption of the revised strategy (members were keen that the strategy should not discourage local contractors from applying and the Cabinet Member at the time committed to coming back to the committee in 12 months).
- 1.3 In addition to the requirement of 1.2 above, this information paper provides a general update of the progress to date in accordance with the strategy.

2. Achieved to date

- 2.1 The **updated Contract Rules** drafted by the Procurement Team and One Legal were approved by Full Council on 14 December 2015, having been approved by Cotswold District Council, Forest of Dean District Council and West Oxfordshire District Council in October 2015. The revised Contract Rules incorporate the requirements of recent legislation including 'The Public Contracts Regulations 2015 (PCR2015);' the requirements of the 'Local Government Transparency Agenda 2015;' and the emphasis on contract management via the 'National Procurement Strategy for Local Government in England 2014.'
- 2.2 **Revised Contract Rules for Ubico Limited** have also been drafted and submitted for approval to their Board of Directors due in June 2016.
- 2.3 A '**Procurement Training Programme**' for officers was delivered to the four local authority partners and Cheltenham Borough Homes Limited (Total 31 x 1.5 hour sessions) during the period October 2015 – January 2016. A tailored training programme will be delivered to Ubico shortly after approval of their revised contract rules as in 2.2 above. The Procurement Team will continue to provide quarterly and induction Contract Rules training with the support of each partner's legal teams to reinforce compliance, best practice, improve officer skills and encourage further

development of the strategy.

3. Work plan 2016/2017

- 3.1 A common partnership procurement toolkit of guidance documentation and templates** is currently being finalised for publication on all partner intranets to encourage best practice and officer compliance. The initial draft templates already utilised have proved useful in encouraging collaborative procurement and joint-initiatives across the 2020 partnership. The quarterly training programme above will reinforce the usage and benefits to officers including elements of self-service.
- 3.2** The strategy development plan assigned a high priority to the implementation of a common **e-Procurement Portal** for sourcing, tendering compliance and contract management. (Please note all tendering must be electronic by 2018). This project has experienced some initial delays due to resources and agreement on specification and scope with partners, but implementation commencement is scheduled for July, followed by gradual roll out to officers in September 2016. This application will provide a common partnership landing page for supplier engagement and sign up, with individual landing pages for each of the six legal entities (CBC; CDC; FoD; WODC; CBH and Ubico) to contract individually and collaboratively. Included within the project will be communications through mailshots and 'Meet the Buyer' events in each local area to advise encourage engagement with suppliers including SME's and local suppliers. All contracts will be proportionately managed within the application to ensure deliverables and outcomes are being met for stakeholders.

4. Impact on local suppliers

- 4.1** In accordance with 6.2 of the strategy 'Supporting Local Businesses and Communities' the adoption of the revised strategy was not intended to have a negative impact on the culture of utilising local suppliers, in fact the objective is to encourage the maximisation of opportunities for local SME's, voluntary and community sector organisations and social enterprises to become our suppliers wherever possible. We need to do more work in this area with Meet the Buyer events as in 3.2 above when our partnership foundation is established. A comparison showing local suppliers pre and post (part) the strategy is shown below to give members confidence that there has been no reduction in local suppliers for comparable periods.

4.2 Active suppliers by period (excluding one off sundry suppliers)

Please note the period 2014-2015 includes leisure and culture category suppliers who now predominately deal directly with The Cheltenham Trust.

	April 2014–May 2015	April 2015 – May 2016
Local Cheltenham suppliers	195 (22%)	168 (22%)
Other Gloucestershire 'local' suppliers	102 (12%)	102 (13.5%)
National suppliers	585 (66%)	489 (64.5%)

Further reports will be developed in future updates to provide more detail to the above, for example by spend and category.

5. Summary

- 5.1** The strategy requires a change in culture to provide transparency, compliance with

legislation, supplier engagement and collaborative working for which there is still a great deal to achieve. Staff in all partners are taking on board procurement changes through a programme of regular training including the toolkit; and Procurement are policing to ensure purchase orders via the NO PO, No Pay Policy are compliant with contract rules.

- 5.2 The required publication of the individual partner Contracts Registers, managing request for quotations and tenders, awards and compliance with the Transparency Agenda is currently resource intensive. Using a common procurement portal positioned on our individual websites will be the 'go to' location for all procurement activity leading to greater efficiency and transparency as in 3.2 above. This implementation will be a key element of the strategy to create the resource to deliver the other objectives of the strategy.

6. Next Steps

- 6.1 The emphasis in the first twelve months has been to provide a foundation of partnership and compliance with new legislation. We will continue to embed the 'Procurement and contract management strategy development plan,' through regular training and best practice. The next steps include supplier and category management; a program of spend analysis and reporting to identify collaborative and savings opportunities. Due to the impact of the above legislative requirements, the commitment to the strategy development plan and increasing number of tenders the Procurement shared service of two FTEs has been allocated an additional FTE to support the delivery of the strategy objectives during 2016/17.

- 6.2 A further review of progress will be provided in June 2017

Background Papers	n/a
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