

BROMSGROVE DISTRICT COUNCIL

OVERVIEW BOARD

2ND FEBRUARY 2010

REVIEW OF PROCUREMENT ARRANGEMENTS

Responsible Portfolio Holder	Councillor Geoff Denaro
Responsible Head of Service	Jayne Pickering – Head of Financial Services

1. SUMMARY

- 1.1 To inform Members of the current procurement arrangements and practices in place across the Council to support the delivery of Value for Money.

2. RECOMMENDATION

- 2.1 That the Overview Board note the current arrangements in place in relation to procurement and the relevant regulations
- 2.2 That the Overview Board undertake a more detailed review of the procurement activities of the Council once the additional information is consolidated as referred to in this report to identify further opportunities for collaborative procurement across the County.

3. BACKGROUND

- 3.1 'Procurement' is the term used for the full range of goods and services Bromsgrove District Council requires and funds. From the identification of a need to provide the service to sourcing and appointment of the service provider and thereafter, the management of those services or goods provided
- 3.2 It is anticipated that a significant element of the Government efficiency targets are delivered through collaborative procurement and improved practices within Authorities. The public sector achieved a record £1.4bn savings from procurement collaboration schemes, the Office of Government Commerce (OGC) has revealed in its annual statement.
- 3.3 Since 2006 the Council has had a procurement advisor whom we share with Redditch Borough Council in the delivery and advice of procurement activities across the 2 Councils.
- 3.4 A procurement code and procurement strategy have been developed to ensure a consistent approach and to provide appropriate levels of internal control when procuring goods and services. These documents are appended to this report.

3.5 Since the establishment of a joint officer the following actions have been undertaken:

- Letting an Aboricultural Framework Contract for Culture & Community which will deliver savings including formulating specific framework documentation/agreements etc.
- Contract for Fitness Equipment (Total saving £29K on budget)
- Letting a Framework Agreement for Disabled Access Works (Level Access Showers) which will deliver efficiencies as it is no longer necessary to get three quotations for each individual client's requirements. Is should also deliver cashable savings.
- Developing the contract and specification for the re-furbishment of the Town Centre Public Toilets
- Assisting on arrangements for the Community Transport vehicle
- Transferring the planning notices to a new supplier
- Supporting and participating in the RIEP led Districts Insurance Contract
- Work and support for the Contract for Abandoned Vehicles
- Promotion and introduction of TNT Post as an alternative to Royal Mail to establish level of savings available through the OGCbs contract
- Working with HR to introduce Comensura to effect savings on temporary staff.
- Working with the other Districts who are members of the Procurement Group to outline the practitioners preferred option to the WETT shared service opportunity
- Running sessions to date of the Modern Councillor Training Programme
- Delivered training sessions to officers to improve procurement practices
- Presenting supplier seminars to contractors across the District to raise awareness and understanding of trading with the Council
- On-line ordering and payment of invoices implemented
- Use of Government Procurement Cards (GPC) across the Council to reduce the number of invoices and minimise payments being made

3.6 The Use of Resources framework includes a focus on procurement and a number of the key lines of enquiry specifically identify improvements to Value for Money that can be delivered through procurement opportunities. The Council currently scores 2 (out of 4) on these areas. They include:

- **Does the organisation commission and procure quality services and supplies, tailored to local needs, to deliver sustainable outcomes and value for money?**
 - understands the supply market and seeks to influence and develop that market
 - evaluates different options (internal, external and jointly with partners) for procuring services and supplies

3.7 Officers are currently preparing a self assessment in relation to the Use of Resources for 2009/10 which will include the improvements to procurement and identify areas of concern. This assessment could form part of additional information for Scrutiny when it is available in the Spring if the Board decide to review the area further.

3.8 In addition a County wide exercise has been undertaken, funded by the Regional Improvement Agency, to identify the supplier base across the County. It is anticipated that this information can be used to drive collaborative working and encourage renegotiation with suppliers. The report in relation to this information is currently being prepared and could also be used by Scrutiny in future reviews.

4. FINANCIAL IMPLICATIONS

4.1 None other than those already included in this report.

5. LEGAL IMPLICATIONS

5.1 The Council has a statutory responsibility under Section 151 of the Local Government Act 1972 to 'make arrangements for the proper administration of their financial affairs' this includes securing effective arrangements for effective procurement and contracting arrangements

6. COUNCIL OBJECTIVES

6.1 By ensuring a robust procurement framework is in place the Council supports all its objectives in delivering Value for Money in the service we provide.

7. RISK MANAGEMENT

7.1 The Financial Services risk register includes the controls in place to ensure an effective framework of procurement is in place. These include:

- Qualified procurement adviser in place
- Contract and procedure rules updated regularly
- Regular training delivered to officers
- Regular monitoring of the procurement activities to ensure compliance and delivery of agreed outcomes

8. CUSTOMER IMPLICATIONS

8.1 The delivery of Value for Money to the customer is inherent in the procurement practices undertaken by the Council.

9. EQUALITIES AND DIVERSITY IMPLICATIONS

9.1 The supplier seminars and the contract and procedure rules support the Council's equality and diversity policy together with the Council's expectation of the equality standards of the suppliers we work with.

10. VALUE FOR MONEY IMPLICATIONS

10.1 Effective procurement is fundamental to the delivery of Value for Money across the Council

11. OTHER IMPLICATIONS

Procurement Issues: None other than those included in this report
Personnel Implications: None
Governance/Performance Management: None
Community Safety including Section 17 of Crime and Disorder Act 1998: None
Policy: None
Environmental: None

12. OTHERS CONSULTED ON THE REPORT

Portfolio Holder	Yes
Chief Executive	No
Executive Director - Partnerships and Projects	No
Executive Director - Services	No
Assistant Chief Executive	No
Head of Service	No
Head of Financial Services	No
Head of Legal, Equalities & Democratic Services	No
Head of Organisational Development & HR	No
Corporate Procurement Team	Yes

13. WARDS AFFECTED

All wards

14. APPENDICES

Appendix A – Procurement Code
Appendix B – Procurement Strategy

15. BACKGROUND PAPERS

None

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