

Procurement Action Plan Update

Summary of Progress / Outcomes

The Procurement Action Plan for 2016/17 set out the corporate actions for procurement and contract management. Since the Committee's last update in September 2016, the following steps have been taken. All actions that could be completed during 16/17 have been, other actions are ongoing and are included in the 17/18 action plan.

1. Training

The comprehensive corporate training programme which was identified as the most important action that needed to be implemented in 2016/17 has been completed. Over the last 3 months 75 members of staff attended one or more of six areas of procurement work, namely (i) legal aspects & EU procurement requirements; (ii) planning procurement & business case development; (iii) specification writing & obtaining value for money; (iv) evaluation & contract award; (v) contract management & supplier relationship management; and (vi) construction.

Initial feedback revealed that all attendees reported that they enjoyed the courses, thereby helping to promote interest in procurement and ultimately highlight how it can be used to secure better value for money which is essential given the pending significant cuts in budgets. Well over 90% considered that they learnt new things about procurement which were highly relevant to their work.

To ensure that the training has helped secure improvements in individuals' approach to procurement, a cross section of staff have also subsequently been asked how the training has actually helped them in their work and / or what as a result they will be doing differently. Staff feedback stated that they are better informed about procurement, and the need to plan procurement processes, and recognise that if they are unsure about any issues where they can get advice.

2. South West Procurement Portal

The use of the portal has been renewed for a further 4 years. Its use has enabled the Council to standardise processes, ensure that legislation and the Council's Contract and Procurement Procedure rules are met. This will continue to reduce the risk of litigation and challenges to the Council's contracts as well as increase potential competition amongst suppliers to provide better value for money goods, works and services.

3. Consolidation of spend on agency staff and consultants

A project brief for a review of the corporate spend on agency staff and consultants was agreed by Corporate Team in July 2016. As a result, the Procurement Team has focussed on the agency and consultancy spend consolidation projects and also those relating to other areas of expenditure including print, marketing and postage. Project teams with relevant staff from service areas have been created to take these projects forward. Future agency staff requirements will be sourced through the MSTAR² framework agreement; this is being implemented in June 2017.

Next Steps

Although 2016/17 action plan has been completed, it is recognised that there is still considerable potential to improve the procurement processes and as a result secure better value for money. It is proposed to report to the Committee at its first meeting in 2017/18 with a further update on progress with the action plan, to include the procurement strategy actions, and any recommendations on changes which are proposed to facilitate this as well as to identify actual savings that have been or are anticipated as a consequence. Current areas of work being considered include:

1. Review of Contract and Procurement Procedure Rules
Some concern has been raised about the application of some of the rules and request for exemptions from the rules. If the concerns raised are considered legitimate and / or improvements can be made, a report will be submitted to Audit and Standards at its July 2017 meeting with recommendations for changes in the rules which will further improve procurement processes throughout the Council. It is considered appropriate to assess the impact of the recent comprehensive training to ascertain whether there is a need to review the procedures which currently require approval in some instances by Legal Services Manager and Procurement Officer as well as Strategic Heads.
2. Contract Management
Although significant progress has been made in improving contract management and subject to any changes which may be made following the review of the current procedures, ongoing work is needed to ensure that the procurement procedures are embedded across the authority and that effective contract management and as such contract performance is continuously secured. Improved contract and supplier relationship management guidance is being developed for officers.
3. Consolidate corporate spend
As with the current review being undertaken for agency staff and consultants, there are a range of other services (e.g. printing, marketing and postage) where savings may be achieved by undertaking a single corporate procurement for such services. Consequently an options appraisal is being undertaken. In addition, a forward procurement plan is being developed for spend over £25,000.