

ADDENDUM TO THE FINANCIAL AND ASSURANCE SERVICES ANNUAL REPORT 2012/13

Shared Procurement Service Year End Summary

This note supplements the Annual Report to the Joint Committee and highlights the most recent progress and achievements of the Shared Procurement Service under the Finance and Assurance Shared Services Partnership.

Summary of Achievements

Key achievements within the last two years include:

- Publication and promotion of a “Model Conditions of Contract Pack” containing model sets of Conditions of Contract to be used for different contract types with user guidance as to how and when these should be used.
- Template ITQ and ITT (Invitation to Quote and Invitation to Tender) documentation developed and used for various procurement activities.
- Development of Procurement Spend Analysis reporting.
- 2011 Pilot, development and full implementation of the Chest e-tendering system.
- Review of Contracts Procedure Rules (CPR’s) in 2011 and again in 2013 ensuring appropriate controls that remain relevant and fit for purpose.
- May 2013 - Implementation of a new e- form at SRBC capturing the approval process for waivers to CPR’s for intermediate value procurements including the new additional requirement for Executive Member approval. The new e-form is accessed through Connect and provides an efficient, streamlined electronic process and an effective and permanent e-audit trail removing the need for face to face meetings and paper processes. The new system also provides reporting functionality, providing management information not previously readily available to procurement.
- May 2013 – research, development and publication of a new, comprehensive Shared Services Staff Guide to Procurement to support the existing simpler Pocket Guide which has also been updated.
- Provided Professional advice and support on major and other procurement projects, ensuring compliance and delivering efficiencies and savings.
- 97% Satisfaction Achieved in 2013 Customer Survey.

Key Priorities, Activity and Outcomes

The Chest

The Chest is a secure e-procurement portal now used by many North West Councils and was first implemented at CBC and SRBC in January 2011 by Shared Financial Services. The Chest is free of charge to suppliers and completes all of the functions electronically that were previously carried out manually whilst providing a permanent and secure e-audit trail. The system is managed by the procurement team and is now included in Contracts Procedure Rules as the mechanism for advertising, inviting, and receiving tenders and quotations with hard copy tenders only acceptable in exceptional circumstances with the prior approval of the Legal Services Manager and Principal Procurement Officer.

It is worth noting that since 2011 a total of 38 procurement opportunities to date for SRBC and 40 procurement opportunities for CBC have been published on the Chest. In the past these would have been manually received, recorded and locked away until their manual, witnessed, opening and recording after the closing date. In addition in certain instances this would have involved bringing in a Member with opening having to be witnessed by a Director/ Head of Service.

The entire process is now electronic, providing considerable resource efficiencies with bids held secure by the system until they are “verified” by the procurement team after the closing date and released for viewing by authorised officers who have been given a password protected “collaborator role”.

Additionally advertising on the system is free, replacing previous expensive journal and newspaper advertisements. Response rates to advertised procurements also suggest that e-advertising is reaching a wider audience with healthy response rates to advertised procurements. Suppliers are signposted to the Chest via the Councils website and Selling to the Council Guide.

Staff Guidance

Early on in the Service the Procurement team produced a simple Pocket Guide to Procurement which aimed to simplify Contracts Procedure Rules, address “frequently asked questions” and show the steps that must be followed according to value in a simple flow chart. It was recognised, however, that there was a need for more comprehensive guidance to cover roles and responsibilities, what should be considered, and how to address and manage key stages of the procurement cycle. This was recognised and included in the Financial & Assurance Shared Services 2013/14 Business Improvement plan as a project for the procurement team.

In response to the above a new SRBC/CBC Shared Services Staff Guide to Procurement has been prepared. This was prepared in consultation with officers from key services areas, including Legal, Audit and Risk, Insurance, Equality, HR for Tupe, and Health & Safety in order to ensure that all relevant areas and processes were appropriately addressed.

The Guide includes a new Procedural Check list which is intended to serve as a prompt of all the areas to be considered and addressed in the procurement process. When completed the form also serves as a one page file record evidencing that the issues have been considered and recording the reasons and justification for any actions.

The guide also includes a Procurement Risk Register highlighting and providing examples of risks which may occur in a procurement process. Two separate registers have been prepared to take account of the different risk categories and matrices used by each authority.

It is still intended to keep the one page Pocket Guide to Procurement and this has been updated to take account of current arrangements and the recent update to CPR's.

Key Procurements

The Procurement team now provide input to all Intermediate and High Value Procurements by virtue of the fact that these must now be issued through the Chest . The level of involvement and detail provided by the procurement team varies according to the complexity, risk and value of the procurement exercise. Examples of key procurements which have been heavily supported by the procurement team include:

Joint banking tender
Joint insurance tender
Replacement of Windows – SRBC
Concierge Service – CBC
Regeneration Project – SRBC
Refuse Collection Vehicles –SRBC
Litter Bins & Bus Shelters CBC
Provision of Skips & Removal & Disposal of Waste – CBC

Savings

The Joint Procurement strategy includes a savings target of £500,000 cumulative savings per authority over the 5 year strategy life (2009/2014) and we are already on target to significantly exceed this.

Staffing

Since the commencement of the Shared Service the Procurement Team has reduced in establishment from 3 posts to 2 posts (1.8 FTE), both members of staff are MCIPS qualified.

Customer Survey – 97% Satisfaction Achieved

In order to assess overall satisfaction with the procurement service, a survey was issued during March 2013 to all officers who had consulted or been supported by procurement in the preceding 12 months at both authorities. A total of 36 responses were received back, with an overall satisfaction rate of 97%.

Moving forward

Many of the building blocks to an embedded, shared procurement service have been put in place and also further developed including training, guidance, model documents, a review of procedures and rules, a new financial system, a new e-tendering system and spend analysis. Our efforts moving forward should now be focused on ensuring best value in procurement activities and achieving efficiencies, whilst constantly reviewing and ensuring that the systems and procedures in place remain: relevant and up to date with current legislation; contain robust system controls; comply with best practice; meet our customer's needs; and are effectively embedded across the council. The Joint Procurement Strategy is due for renewal in 2014 and this should reflect the above.

Spend analysis: the Team also undertakes Spend Analysis reviews to ensure that challenge and procurement support continues to be a major part of the procurement role. This seeks to ensure all procurement options are considered providing best value and further procurement efficiencies for the Council.

Janet Hinds
Principal Procurement Officer
June 2013