

**EXETER CITY COUNCIL**  
**SCRUTINY COMMITTEE - RESOURCES**  
**24 MARCH 2010**

**EXECUTIVE**  
**13 APRIL 2010**

**ANNUAL SUSTAINABLE PROCUREMENT AND COMMISSIONING REPORT 2010/11**

**1. PURPOSE OF THE REPORT**

- 1.1 To report to Members progress made against last year's Sustainable Procurement and Commissioning Action Plan.
- 1.2 To outline the Sustainable Procurement and Commissioning Action Plan for 2010/11.

**2. BACKGROUND**

- 2.1 In March 2009, the 2004 Procurement Strategy was replaced by the new Sustainable Procurement and Commissioning Strategy. This informed the basis of the Procurement Action Plan for 2009/10.

**3. PROGRESS TO DATE**

**Sustainable Procurement and Commissioning Strategy**

- 3.1 The Sustainable Procurement and Commissioning Strategy is supported by a Procurement and Commissioning Good Practice Guide and a number of 'tool kits' which were developed during the year. The tool kits provide straight-forward guidance on key elements of procurement and commissioning such as developing a specification, risk management, appointing consultants, etc. This guidance is available on the intranet to assist officers considering contracting as an option.
- 3.2 The success of the information is evidenced by the increasing number of officers who are seeking advice prior to tendering for contracts as diverse as homelessness support and master planning consultants. However, there is no guarantee that all contracts are being managed correctly.

**Organisational Structures**

- 3.3 The Procurement Group, consisting of officers from within the Council, continues to meet on a regular basis and forms a virtual team which considers changes to processes and documentation relating to procurement. Members of the group are and have been heavily involved in strategic projects such as the RAMM project, the leisure management contract and the housing maintenance contract.
- 3.4 The Procurement Group is increasingly involved in Devon-wide contracts under the auspices of the Devon Procurement Partnership. A current example is a framework contract for the provision of bailiff services. The Council uses a number of providers as do the other Devon districts and unitaries. It is anticipated that by reducing the number of providers an increase in cross border recovery can be achieved as well as a greater consistency of approach.

## **Working with small businesses**

- 3.5 We continue to work with small businesses in Exeter and the surrounding region to increase their involvement in bidding for Council work. This is being expanded to involve the voluntary and community sector. During the year presentations have been given to the Exeter Chamber of Commerce, South West Constructing Excellence and the Federation of Small Businesses. The increasing use of the *Selling to the Council* web page is essential to continue this work. A major initiative has been the launch of a new procurement website. This provides additional support for small business in the Exeter economy during the ongoing recession and was launched on 7 December 2009.
- 3.6 This initiative has been coordinated by Exeter City Council on behalf of its partners and in collaboration with Exeter Business Support, Business Link, Exeter Chamber of Commerce and the Exeter Federation of Small Businesses. The website: [www.exeterbuysellprosper.co.uk](http://www.exeterbuysellprosper.co.uk) has been designed to actively encourage those making buying decisions in local public sector and large employers, particularly for contracts that do not need to go out to formal tendering to buy from local small businesses.

## **The Green Accord**

- 3.7 The Green Accord is gaining national credibility. It has been recognised as best practice and was placed on the Audit Commissions website, together with the Sustainable Procurement and Commission Strategy. It has recently won several national awards. The Council has trade marked the Green Accord and a business plan was approved for expanding into other sectors and organisations. A number of other organisations including the MET Office, Bristol and Exeter Universities, Hampshire County Council have already signed up to the Green Accord with a number of others currently seeking the necessary approval to do so.

## **4. CHANGES TO PUBLIC PROCUREMENT RULES**

- 4.1 There have been two major changes to the Public Procurement Rules which took effect on 20 December 2009, though they only affect new procurement processes that start after that date. Procurement processes that began (either through advertising the contract or through less formal means) before then will still be subject to the 2006 rules on standstill and enforcement.
- 4.2 The amendments mainly affect the former Regulation 32 (the standstill period) and Regulation 47 (enforcement). There are many changes, some of a relatively straightforward procedural nature, but others with much more significant effects. The changes to the standstill rules are largely procedural changes, but it is very important that changes are followed as failure to do so can trigger the now more serious penalties contained in the new remedies rules. The standstill changes include: a new obligation to release the full reasons for the award decision at the start of standstill, rather than upon request as is the case at present; and a new obligation to allow extra time for tenderers to receive the standstill notice in situations where the notice is sent using non-electronic means.
- 4.3 The changes to the remedies rules include the new penalties of ineffectiveness (ie contract cancellation), civil financial penalties and contract shortening, which will be available for certain serious breaches of the procurement rules. There is also a mandatory new requirement for contracting authorities to suspend a procurement exercise whenever legal proceedings are brought in respect of a contract award decision.

## **5. FUTURE PLAN OF WORK**

- 5.1 The progress achieved against the 2009/10 Sustainable Procurement and Commissioning Action Plan is attached at Appendix I. Considerable progress has been achieved but there are still a number of significant tasks identified that need to be completed.
- 5.2 The Sustainable Procurement and Commissioning Action Plan for the coming year is attached as Appendix II.

## **6. RECOMMENDED**

that Scrutiny Committee Resources and Executive

- 1) supports the Sustainable Procurement and Commissioning Action Plan for 2010/11.

HEAD OF CONTRACTS AND DIRECT SERVICES

COMMUNITY & ENVIRONMENT DIRECTORATE

**Local Government (Access to Information) Act 1985 (as amended)**

**Background papers used in compiling this report:**

None