

EXETER CITY COUNCIL
SCRUTINY COMMITTEE - RESOURCES
23 MARCH 2011

EXECUTIVE
5 APRIL 2011

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 2011/12.

2. BACKGROUND

- 2.1 In March 2009, the 2004 Procurement Strategy was replaced by the new Sustainable Procurement and Commissioning Strategy. Each year an action plan is developed informed by the strategy and changes in wider procurement policy.

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 added to 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 dealing with abandoned vehicles and disposal of composted material.

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 sourcing of occupational health specialist equipment and stairlifts fitted within tenant properties.

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 has been expanded to involve the voluntary and community sector. During the year presentations have been given to the Exeter Chamber of Commerce, Time & Talents, Procurement Connections (2010) and the Federation of Small Businesses. In addition officers took part in a 'meet the buyer' event as part of the Business South West (2010) event at West Point. 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.
- 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 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. Development work is ongoing with individual procurement leads being able to access their own page on the site.

The Green Accord

- 3.7 The Green Accord has gained national credibility. It has been previously recognised as best practice and was placed on the Audit Commission's website, together with the Sustainable Procurement and Commission Strategy. It continues to win 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 private sector organisations have now engaged with the Green Accord. Sir Robert McCalpine is the latest example who whilst carrying out a major construction project at the university is introducing the Green Accord throughout its supply chain.

4. CHANGES TO PUBLIC PROCUREMENT PROCEDURES

- 4.1 A number of changes have been introduced at a national level that impact on the Council's procurement processes. These include:
- 4.2 The introduction of core pre qualification questions to be incorporated in all pre qualification questionnaires (PQQ). The PQQ is used to make an initial assessment of a potential bidder's suitability. It has long been an issue with businesses that there is little consistency across Councils over what questions are asked and the level of detail required. Small and medium enterprises (SMEs) have cited this as a perceived barrier to their engagement with Councils. The Devon authorities were already moving towards a consistent approach but this was overtaken by the introduction of this requirement. A compliant model PQQ has now been developed for use across the South West. The next stage in this process is to enable the responses used for one authority to be reused for other opportunities.
- 4.3 As part of the Coalition Government's transparency agenda the Council is required to publish all new contracts and tenders on the internet with effect from January 2011. All contracts and tenders above £500 in value are covered by the requirement and will be published in a mandated format. Details include the name of the successful bidder and the price of the winning bid which has meant changing the Council's documentation to reflect this requirement and to inform prospective bidders prior to them submitting a tender. The intention is to develop the process on the Council's website prior to linking with a regional portal.

4.4 The introduction of the Equalities Act whilst not introducing a specific requirement in respect of procurement clearly will impact on the Council's approach to incorporating equalities and diversity into contracts. These changes will need to be reflected in both the Council's Standard Terms and Conditions and the Contract Regulations. The Head of Contracts has delegated powers to make minor amendments to the contract regulations subject to consultation with the appropriate Portfolio Holder and Director.

5. COLLABORATING WITH PROCUREMENT BODIES ACROSS DEVON

5.1 The Council has again taken an active role in the Devon Procurement Partnership (DPP) this year. The DPP encompasses all public procurement bodies in Devon including local authorities, emergency services and academic institutions. It develops best practice in terms of procurement and initiates collaborative procurements that benefits the members. The relationships within the group have been positively maintained.

5.2 Conscious that the challenges faced by local authorities are often different to those faced by the wider public procurement community, the need for a more strategic group was identified. The Heads of Procurement Group comprising the procurement leads from Devon County Council, Torbay, Plymouth and Exeter together with the chair and deputy chair of the DPP provides and fulfils this strategic role. Exeter's involvement is particularly beneficial as it can ensure that the City's unique contribution as the only urban Devon district is fully recognised.

5.3 The Devon districts councils have jointly developed a Procurement Strategy to better inform their collaboration.

6. FUTURE PLAN OF WORK

6.1 The progress achieved against the 2010/11 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.

6.2 The Sustainable Procurement and Commissioning Action Plan for the coming year is attached as Appendix II.

7. RECOMMENDED

that Scrutiny Committee Resources and Executive :

- 1) supports the Sustainable Procurement and Commissioning Action Plan for 2011/12.
- 2) notes that changes to the Contract Regulations will be made under delegated powers to reflect the new requirements identified in section 4 of the report.

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