

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

REPORT TO: Finance & Staffing Portfolio Holder

20 March 2012

AUTHOR/S: Executive Director – Corporate Services

ANNUAL REVIEW OF PROCUREMENT STRATEGY

Purpose

1. The purpose of this report is for the Finance & Staffing Portfolio Holder to review and approve a proposed revised Procurement Strategy.
2. This is not a key decision but it has been brought before the portfolio holder because it is good practice to regularly review policies, strategies and procedures, to ensure that they remain relevant, adequate and effective.

Recommendations

3. That the Finance & Staffing Portfolio Holder:
 - (a) approves the proposed revised Procurement Strategy, as set out in Appendix A;
 - (b) recommends proposed changes to Contract Regulations, as set out in Appendix C, to the Constitution Review Working Party and Council.

Reasons for Recommendations

4. No fundamental changes are proposed for the Procurement Strategy; the amendments suggested update various aspects of it.
5. The proposed amendments to Contract Regulations address recommendations resulting from Internal Audit's contract services review – they therefore represent appropriate application of procurement best practice – and again update various aspects of them.

Background

6. The Procurement Strategy was last reviewed and approved by the then Planning Portfolio Holder in March 2011. It is now due for review and re-approval, in order to take account of actions to meet Council aims, improvements to reflect best practice, audit recommendations, etc.

Considerations

7. The latest Internal Audit review of contract services, including procurement, did not result in any changes to the Procurement Strategy being recommended; however, the opportunity has been taken to update the strategy regarding:
 - (a) procurement expenditure;
 - (b) the Government's economic measures;
 - (c) the Council's 2012/13 Aims, Approaches and Actions;
 - (d) changes to Member responsibilities and to staff structures;
 - (e) the latest Medium Term Financial Strategy; and
 - (f) procurement portal arrangements.

The proposed revised Procurement Strategy is attached at **Appendix A**; suggested amendments are shown as **highlighted text**.

8. Internal Audit did, however, make some recommendations that would affect Contract Regulations. **Appendix B** attached sets out the recommendations, together with management responses and proposed changes to Contract Regulations. The opportunity has also been taken to suggest updates to Contract Regulations regarding guidance on:
- (a) the timescale for submission of tenders;
 - (b) the evaluation and award of contracts; and
 - (c) the Bribery Act 2010,
- together with some other clarifications. Proposed revised Contract Regulations are attached at **Appendix C**; all suggested changes are shown as **highlighted text**.

Options

9. The Finance & Staffing Portfolio Holder could approve the proposed changes to the Procurement Strategy, allowing these changes to be made, and recommend the proposed changes to Contract Regulations for consideration by the Constitution Review Working Party and Council. (**These are the recommended options.**)
10. Alternatively, the portfolio holder could suggest other improvements or enhancements to the Procurement Strategy or Contract Regulations.

Implications

11. Financial	The changes to the Procurement Strategy and Contract Regulations should not increase the costs of goods/services that the Council purchase. Evaluation of tenders/quotes will be based on weighted percentages of finance and quality criteria.
Legal	N/A
Staffing	N/A
Risk Management	The changes proposed seek to address areas of potential risk in procurement. There is a section in the Procurement Strategy on Risk management and a section in Contract Regulations on Risk Assessment and Contingency Planning.
Equality and Diversity	N/A
Equality Impact Assessment completed	No The Procurement Strategy passed an equality impact assessment in March 2010. The modifications proposed in this report are minor alterations and will not affect equalities.
Climate Change	Changes were made to the Procurement Strategy in March 2011 to link it to the Climate Change Action Plan 2011-13, reinforcing the Council's commitment to tackling climate change.

Consultations

12. The following people have been consulted:
- (a) Senior Lawyer
 - (b) Team Leader (Communities) – regarding climate change aspects
 - (c) Executive Director (Corporate Services)
 - (d) Executive Management Team (EMT)

13. The Executive Director sought confirmation that the Council could enter into collaborative procurement under another local authority's or public body's strategy/ regulations. Contract Regulations allows this where the procurement process complies with the regulations of the lead organisation.
14. EMT was keen that procurement supports the local economy and the third sector where possible, in terms of work, skills and training, apprenticeships etc. The Procurement Strategy includes consideration of efforts to stimulate local economic activity and engage with local businesses and the third sector, in assessing value for money in procurement; there are also specific sections on the local economy and on third sector commissioning. An example of a procurement exercise that sought to support the local economy is the response repairs contract, where the recruitment of apprentices was a key part of the requirements.

Effect on Strategic Aims

15. The recommendations of this report will impact positively on all the strategic aims of the Council:
 - (a) Aim: We will listen to and engage with residents, parishes and businesses to ensure that we deliver first class services and value for money – Strengthen working with key partners, including the County Council; develop new shared services to achieve strengthened resilience and improved customer service; and develop and promote self-service through the implementation of the new interactive website and customer contact arrangements.
 - (b) Aim: We will work with partners to create and sustain opportunities for employment, enterprise and world-leading innovation – Identify ways to support existing, developing and new businesses.
 - (c) Aim: We will make sure that South Cambridgeshire continues to offer outstanding and sustainable quality of life for our residents – Work with local communities and businesses to develop and deliver actions on climate change that make a difference.

Conclusions / Summary

16. This report proposes changes to the Procurement Strategy and Contract Regulations to address recommendations resulting from Internal Audit's contract services review and to ensure that the strategy and regulations remain relevant, adequate and effective.

Background Papers: the following background papers were used in the preparation of this report:

None unpublished

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