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Meeting	Cabinet Resources Committee
Date	24 May 2011
<b>Subject</b>	<b>Contract Procurement Plan</b>
Report of	Cabinet Member for Resources and Performance
Summary	This report sets out the detail of planned contract procurement activity for the financial year 2011/12 for approval and the first draft of a plan for the following three financial years.

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Officer Contributors	Chris Malyon, Assistant Director of Commercial Assurance, Susan Lowe, Procurement Manager (Commercial Services), Haroon Khan, Business Analyst (Commercial Services)
Status (public or exempt)	Public
Wards affected	All
Enclosures	Appendix – Procurement Spend by Service Area
For decision by	Cabinet Resources Committee
Function of	Executive
Reason for urgency / exemption from call-in (if appropriate)	Not applicable

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## **1. RECOMMENDATIONS**

**1.1 That approval be given for Officers to proceed with the procurement activity for the 2011/12 financial year as set out in the Appendix to this report subject to budget availability.**

**1.2 The provisional procurement activity for future years be noted.**

## **2. RELEVANT PREVIOUS DECISIONS**

2.1 Cabinet, 23 February 2009, Item 6 (Council Budget & Council Tax Reports, 2008/09)

2.2 Council, 3 March 2009, Decision 178 (Report of Cabinet 23 February 2009, Council Budget & Council Tax Reports, 2008/09)

2.3 Cabinet, 22 February 2010, Item 6 (Budget & Council Tax Reports, 2009/10)

2.4 Council, 2 March 2010, Decision 145 (Report of Cabinet 22 February 2010, Council Budget & Council Tax Reports, 2009/10)

2.5 Cabinet, 14 February 2011, Item 5E (Budget, Council Tax and Medium Term Financial Strategy 2011/12 – 2013/14)

2.6 Council, 1 March 2011, Decision 8 (Report of Cabinet 14 February 2011, Budget, Council Tax and Medium Term Financial Strategy 2011/12 – 2013/14)

## **3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS**

3.1 The Contract Procurement Plan will enable the Council to maintain an accurate oversight of procurement activity across the full range of its services and thereby support more commercial and efficient procurement practices. In this way, the Contract Procurement Plan drives achievement of the Council's key corporate priority 'Better services with less money' (Corporate Plan 2010-2013) and supports the One Barnet priority of 'a relentless drive for efficiency'.

3.2 The Council is committed to the transparency agenda. To date, the planned procurement activity for each financial year has been scrutinised and approved by Cabinet Resources Committee as part of the annual Budget Report. In support of the Council's transparency agenda we have developed for 2011/12 this separate Contract Procurement Plan for submission as a stand alone item to this Committee. This is intended to enhance its visibility and to ensure that the Council's planned procurement activity is given due consideration in the light of its importance to the successful delivery of the Council's corporate objectives and the One Barnet agenda.

3.3 The governance arrangements that support the procurement activity are contained within the Council's Contract Procedure Rules and supporting Code of Practice.

#### **4. RISK MANAGEMENT ISSUES**

- 4.1 If the Council does not manage the contract renewal programme effectively and efficiently it could lead to a detrimental impact on value for money and the likelihood of delivering significant procurement savings included within the 2011/12 Revenue Budget. Well planned processes will enable effective commercial negotiations to take place thereby driving lower costs from the portfolio of contracts put to market.

#### **5. EQUALITIES AND DIVERSITY ISSUES**

- 5.1 From 5th April 2011 the previous separate equality duties on public authorities covering race, disability and gender were replaced by a single Public Sector Equality Duty. Section 149 in Chapter 1 of Part 11 of the Equality Act 2010, is the new public sector equality duty. This Public Sector Equality Duty also extends to gender reassignment, age, sexual orientation and religion or belief.
- 5.2 In England new specific duties will come into force in July 2011. These include a 'general duty', which obliges public authorities to have due regard to the need to:
- a) eliminate unlawful discrimination, harassment, victimisation;
  - b) advance equality of opportunity between those covered by the Equality Act and those not covered, e.g. between disabled and non-disabled people;
  - c) foster good relations between these groups.
- 5.3 The Act makes it clear that authorities can use procurement to drive equalities and contains a specific measure on procurement, making provision: "to enable duties to be imposed in relation to the exercise of public procurement functions".
- 5.4 The Council has a process for assessing the equalities impact of all of its activity and in the award of any contract we will ensure that the Council's approach to equalities is applied.
- 5.5 With specific regard to those contracts set out in the proposed 4 Year Contact Procurement Plan, where equalities issues have a significant bearing, an equality assessment will be undertaken.
- 5.6 By section 149(2) of the Equality Act 2010, the 'general duty' also applies to 'a person, who is not a public authority but who exercises public functions and therefore must, in the exercise of those functions, have due regard to the general equality duty. This includes any organisation contracted by a local authority to provide services on its behalf. The Council will therefore take all necessary and reasonable steps to ensure that all contractors comply with this general equality duty.

#### **6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)**

- 6.1 The costs appertaining to the contracts contained within the Appendix to this report are contained within the individual service budgets of the Council.
- 6.2 A substantial number of savings proposals within these plans relate to opportunities driven from improved commercial settlements associated with these contracts.

Delivery of these procurement related savings will be monitored throughout the financial year.

## **7. LEGAL ISSUES**

7.1 None, except any referred to within the main body of the report.

## **8. CONSTITUTIONAL POWERS**

8.1 The Council's Constitution (Contract Procedure Rules) sets out the authorisation process for entering contractual commitments.

8.2 The following is an extract from the Contract Procedure Rules contained within the Constitution as it relates to the Procurement Plan:-

**"Authorisation"** is the approval required before quotations or tenders for supplies, services or works may be sought in accordance with Section 3.2.

Section 5 outlines Authorisation and Acceptance Procedures, including:

5.1 The aim is to speed up the procurement process by removing unnecessary bureaucracy – in this case, a duplication of the authorisation process.

5.2 Any contract, including additions, extensions and variations, which has been included in a directorate or service's Budget and supporting plans and strategies or any other Committee approved plan is deemed as authorised irrespective of value.

5.3 Any contract which has not been Authorised as set out in 5.2 must be Authorised as set out in Table 5-1". (which details Authorisation and Acceptance Thresholds for Works, Supplies and Services).

## **9. BACKGROUND INFORMATION**

9.1 The Constitutional requirement to obtain Cabinet Member or Cabinet Committee authorisation, for contract value above stated threshold, before any contractual exercises commence has in previous years been achieved mostly by the inclusion of an appendix within the budget report of the known procurement activity for the following financial year.

9.2 Over the last twelve months the visibility and understanding of the role that improved procurement could play in assisting the council deliver corporate objectives in general but "better for less" services in particular has increased significantly.

9.3 In addition the Council has reiterated its commitment to the transparency agenda and developing processes that support this agenda.

9.4 As a result, approval of the four year plan of known contractual activity is being presented to Members as a report in its own right rather than an appendix within the overarching budget report.

- 9.5 This information will be used for planning procurement activity and will be published in other procurement vehicles in order to attract as much interest from the market as possible.
- 9.6 The data contained within the four year procurement plan will also be used as the basis of the Councils first Corporate Contract Register.

**10. LIST OF BACKGROUND PAPERS**

- 10.1 None.

Legal – PJ  
CFO – JH

## Appendix

Service Area	Contract Year	Nature of service being procured	Estimate of contract value £000
Adults Social Services	2011-15	Home and Community Support	44,000.0
Adults Social Services	2011-16	Supported living services for people with substantial or critical needs	40,000.0
Adults Social Services	2011/12	Services for people with substantial or critical needs	8,900.0
Adults Social Services	2011-12	Block Residential & Day Care	7,409.0
Adults Social Services	2011-12	Block Residential and Nursing Care	4,029.0
Adults Social Services	2011-12	Spot Purchase Residential and Nursing Care	7,170.0
Adults Social Services	2011-12	Transfer of In-house Care Delivery Service	6,270.0
Adults Social Services	2011-12	Transport services	1,200.0
Adults Social Services	2011-13	Voluntary Sector Prevention Services	9,446.0
Adults Social Services	2011-12	Sheltered Plus services for older people	600.0
Adults Social Services	2011-12	Sheltered housing services	1,092.0
Adults Social Services	2011-12	Housing support services	1,492.0
Adults Social Services	2011-13	Community stroke service	600.0
Children's Service	2011-12	Community Transport	138.1
Children's Service	2011-12	Groceries	750.0
Children's Service	2011-12	Frozen Foods	650.0
Children's Service	2011-12	Provision of health care	120.0
Children's Service	2011-12	Children's Right Service	46.0
Children's Service	2011-12	Supporting young people	15.0
Children's Service	2011-12	Early intervention and Prevention services	2,951.6
Children's Service	2011-12	Health services	145.0
Children's Service	2011-12	Supporting young carers	60.0
Children's Service	2011-12	Supporting people and families	27.0

Service Area	Contract Year	Nature of service being procured	Estimate of contract value £000
Children's Service	2011-12	Children's advocacy service	126.0
Children's Service	2011-12	Youth homelessness services	700.0
Children's Service	2011-12	Services for young people with Learning Disabilities/Difficulties	270.0
Children's Service	2012-13	Community Arts - Children & Young People	86.0
Children's Service	2012-13	Fruit and Vegetables	450.0
Children's Service	2012-13	Frozen Foods	50.0
Children's Service	2012-13	learning disability assessment service	80.0
Children's Service	2012-13	Out of school activities	100.0
Chief Executives Service	2011-14	Community Advice Service	1,258.0
Chief Executives Service	2011-12	Central Buying Consortium	680.0
Chief Executives Service	2011-12	CRM support and implementation support	193.0
Chief Executives Service	2011-12	LINK (Local Involvement Network) host contract	95.0
Chief Executives Service	2012/13	Migration Impact Fund	234.8
Chief Executives Service	2012/13	Mobile Library	15.0
Chief Executives Service	2013/14	Corporate GIS System for the London Borough of Barnet	8.9
Chief Executives Service	2013/14	Ariel Photography	1.7
Chief Executives Service	2014/15	Libraires Management System	50.5
Corporate Governance	2013/14	Non-Life Insurance - Property and Pecuniary Risks	1,282.7
Corporate Governance	2013/14	Non-Life Insurance – Liability and Motor	386.7
Environment and operations	2011-12	Highways Planned maintenance & Improvements Contract (including machine laid surfacing)	6,000.0
Environment and operations	2011-12	Highways Term Maintenance Contract	6,000.0
Environment and operations	2011-12	Highways Asset Management System	137.0

<b>Service Area</b>	<b>Contract Year</b>	<b>Nature of service being procured</b>	<b>Estimate of contract value £000</b>
Environment and operations	2011-12	Rock Salt	120.0
Environment and operations	2011-12	Escort & courier service contract	4,000.0
Environment and operations	2011-12	Dog Warden service	4.0
Environment and operations	2011-12	Pay & Display Machines (Maintenance)	0.1
Environment and operations	2011-12	Healthy & Safety Training	30.0
Environment and operations	2011-12	Sports Leisure Contract	2,100.0
Environment and operations	2011-12	Personal Protective Equipment	30.0
Environment and operations	2011-12	Greenspaces Maintenance	800.0
Environment and operations	2011-12	Hired transport	4,300.0
Environment and operations	2011-12	CCTV Installation and maintenance	695.0
Environment and operations	2011-12	Satellite Depots	1,500.0
Environment and operations	2011-12	Bailiff contract	£0 expenditure - zero value contract
Environment and operations	2011-12	Radio Equipment Parking	21.0
Environment and operations	2011-12	Lease of Motorcycles	12.0
Environment and operations	2013/14	Tree maintenance.	200.0
Environment and operations	2013/14	Tree Management	225.0
Environment and operations	2013/14	Tree works	175.0
Environment and operations	2013/14	Maintenance of IT Software and Hardware	0.0
Environment and operations	2013/14	Hazardous Waste	25.0
Environment and operations	2013/14	Abandoned Vehicles	20.0



Service Area	Contract Year	Nature of service being procured	Estimate of contract value £000
Environment and operations	2013/14	Consultancy	250.0
Environment and operations	2014/15	Abandoned Vehicles	20.0
Environment and operations	2017/18	Fleet Maintenance & Supply	2,500.0
Environment and operations	Tendering 2019/20 and subsequent financial periods	Lighting Services —	2,500.0
Commercial services	2011-12	Building Maintenance	5,590.0
Commercial services	2013-14	Building Energy Certification	16.0
Commercial services	2012-13	High volume photocopier machines	80.0
Commercial services	2012-13	MFD Contract	200.0
Commercial services	2013-14	Print Framework	250.0
Commercial services CPT	2011-12	Office Furniture	150.0
Commercial services CPT	2011-12	Photocopier Equipment	140.0
Commercial services CPT	2011-12	Corporate Cleaning Contract	840.0
Commercial services CPT	2011-12	Cleaning Consumables	5,816.4
Commercial services CPT	2011-12	Mobile phone contract	250.0
Commercial services CPT	2011-12	Energy	2,230.2
Commercial services CPT	2011-12	Street Lighting	958.5
Commercial services CPT	2011-12	Energy	1,669.3
Commercial services CPT	2011-12	Corporate Cleaning Contract	395.2
Commercial services CPT	2011-14	Corporate Security Contract	3,000

Service Area	Contract Year	Nature of service being procured	Estimate of contract value £000
Commercial services CPT	2012-13	Corporate Electricity Supply Contract	2,227.3
Commercial services CPT	2012-13	Corporate Gas Supply Contract	1,385.8
Commercial services CPT	2013-14	Translation & Interpretation contract	160.0
Commercial services CPT	2014-15	Stationery	230.0
PHR Building control	2011-12	Scanning	50.0
PHR Housing	2011-12	Temporary Accommodation	Currently carrying out an options appraisal to determine the best method of delivery for alternative leased/licensed Temporary Accommodation
PHR Housing	2012-13	Housing Advice	197.0
PHR Housing	2012-13	Foundation Service	155.0
PHR Housing	2012-13	Money Advice Service	7.6
PHR Housing	2012-13	Removals & Storage	124.0
PHR Regeneration	2011-12	Regeneration Contract Scheme	100.0
PHR Regeneration	2011-12	Regeneration Contract Scheme	50.0
PHR Regeneration	2011-12	Business Plan & Legal contract	250.0
PHR Regeneration	2011-12	Land Valuation	50.0
PHR Environmental services	2010-11	Grounds Maintenance- Cemetery	3.4
PHR Environmental services	2010-11	Tree Surgery - Cemetery	3.0
PHR Environmental services	2010-11	Stone Masonry - Cemetery	4.0
PHR Environmental services	2010-11	Window Cleaning - Cemetery & Crematorium	0.0

<b>Service Area</b>	<b>Contract Year</b>	<b>Nature of service being procured</b>	<b>Estimate of contract value £000</b>
PHR Environmental services	2010-11	Fuel Supply - Cemetery	6.0
PHR Environmental services	2010-11	Casket supply - Crematorium	2.0
PHR Environmental services	2010-11	Garden plaque supply - Cemetery	15.0
PHR Environmental services	2010-11	Bedding plants - Cemetery	2.5
PHR Environmental services	2010-11	Medical referee - Crematorium	11.3
PHR Environmental services	2010-11	Medical referee - Crematorium	11.3
PHR Environmental services	2010-11	Organist - Cemetery & Crematorium	1.3
PHR Environmental services	2010-11	Organist - Cemetery & Crematorium	1.3
PHR Environmental services	2010-11	Alarm Service Contract - Mortuary	0.3
PHR Environmental services	2010-11	Automatic Gates - Mortuary	0.3
PHR Environmental services	2010-11	Refrigeration - Mortuary	0.2
PHR Environmental services	2010-11	Instrument Washer and Disinfector - Mortuary	0.5
PHR Environmental services	2011-12	Cremator maintenance	22.0
PHR Environmental services	2011-12	Cemetery & Crematorium Cleaning Contract	4.5
PHR Environmental services	2011-12	Cemetery Vehicle Leasing and Hire	To be confirmed
PHR Environmental services	2011-12	Grounds Maintenance- Cemetery	34.0
PHR Environmental services	2011-12	Tree Surgery - Cemetery	0.5
PHR Environmental services	2011-12	Stone Masonry - Cemetery	0.5
PHR Environmental services	2011-12	Window Cleaning - Cemetery & Crematorium	To be confirmed
PHR Environmental services	2011-12	Fuel Supply - Cemetery	6.0

Service Area	Contract Year	Nature of service being procured	Estimate of contract value £000
PHR Environmental services	2011-12	Fuel Supply - Cemetery	1.2
PHR Environmental services	2011-12	Casket supply - Crematorium	2.0
PHR Environmental services	2011-12	Garden plaque supply - Cemetery	15.0
PHR Environmental services	2011-12	Bedding plants - Cemetery	2.5
PHR Environmental services	2011-12	Medical referee - Crematorium	11.3
PHR Environmental services	2011-12	Medical referee - Crematorium	11.3
PHR Environmental services	2011-12	Organist - Cemetery & Crematorium	1.3
PHR Environmental services	2011-12	Organist - Cemetery & Crematorium	1.3
PHR Environmental services	2011-12	Alarm Service Contract - Mortuary	0.3
PHR Environmental services	2011-12	Automatic Gates - Mortuary	0.3
PHR Environmental services	2011-12	Refrigeration - Mortuary	0.2
PHR Environmental services	2011-12	Instrument Washer and Dispenser	0.5
Corporate Services(incl' HR Fin IS)	2011-12	Actuarial Services	To be confirmed
Corporate Services(incl' HR Fin IS)	2011-12	Pension Fund Advisors	0.0
Corporate Services(incl' HR Fin IS)	2011-12	CRM support and implementation support	193.0
Corporate Services(incl' HR Fin IS)	2011-12	Internal Audit	42.0
Corporate Services(incl' HR Fin IS)	2011-12	External assessment	36.0
Corporate Services(incl' HR Fin IS)	2011-12	London Grid for Learning Trust	7.0
Corporate Services(incl' HR Fin IS)	2011-12	People at Work	23.5

Service Area	Contract Year	Nature of service being procured	Estimate of contract value £000
Corporate Services(incl' HR Fin IS)	2011-12	Central Buying Consortium	680.0
Corporate Services(incl' HR Fin IS)	2011-12	Medical Centre Contract	150.0
Corporate Services(incl' HR Fin IS)	2011-12	IT Refresh	700.0
Corporate Services(incl' HR Fin IS)	2011-12	Landline telecoms and circuits	600.0
Corporate Services(incl' HR Fin IS)	2011-12	Corporate anti-virus, internet and email security	131.0
Corporate Services(incl' HR Fin IS)	2011-12	Business Systems Disaster Recovery	250.0
Corporate Services(incl' HR Fin IS)	2011-12	Internet Protocol platform	125.0
Corporate Services(incl' HR Fin IS)	2011-12	EDRM suport and maintenance	52.0
Corporate Services(incl' HR Fin IS)	2011-12	Libraries RFID	35.0
Corporate Services(incl' HR Fin IS)	2011-12	Password reset tool	26.0
Corporate Services(incl' HR Fin IS)	2011-12	Employment Law Support Service	0.0
Corporate Services(incl' HR Fin IS)	2011-12	Recruitment and Advertising contract	0.0
Corporate Services(incl' HR Fin IS)	2011-12	IT Pension System	To be confirmed
Corporate Services(incl' HR Fin IS)	2011-12	IT Technical support	To be confirmed
Corporate Services(incl' HR Fin IS)	2011-12	Central Buying Consortium	670.0
Corporate Services(incl' HR Fin IS)	2012-13	Phone Support Service	6.5

<b>Service Area</b>	<b>Contract Year</b>	<b>Nature of service being procured</b>	<b>Estimate of contract value £000</b>
Corporate Services(incl' HR Fin IS)	2012-13	Mobile library	15.0
Corporate Services(incl' HR Fin IS)	2012-13	Libraries Management System	50.5
Corporate Services(incl' HR Fin IS)	2013-14	Banking contract	To be confirmed
Corporate Services(incl' HR Fin IS)	2013-14	Service Management Service	927.0
Corporate Services(incl' HR Fin IS)	2013-15	Service Management Service	954.0
Corporate Services(incl' HR Fin IS)	2014-15	Libraries Management System	50.5