

	Policy and Resources Committee 22nd July 2014
Title	Procurement Forward Plan
Report of	John Hooton, Deputy Chief Executive
Wards	All
Status	Public
Enclosures	Appendix 1 - Procurement activity by service area for 2014/15 (revised)
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Summary

The Procurement Forward Plan for 2014/15 was approved by the Cabinet Resources Committee in November 2013. This report requests approval to add a number of subsequently identified procurement projects.

Recommendations

1. That approval be given to include the list of proposed procurements listed in Appendix to the 2014/15 Procurement Forward Plan.

1. WHY THIS REPORT IS NEEDED

Contract Procedure Rules allow that any proposed procurement action that is listed on the Procurement Forward Plan approved by the Policy and Resources Committee (previously Cabinet Resources Committee) for that financial year can take place without further committee approval. The Procurement Board, which governs procurement activity within the Council, agreed that a mid-year review of the Procurement Forward Plan should take place. This review has identified a number of additional procurements for 2014/15 and it is proposed that the Plan be amended to include these.

2. REASONS FOR DECISIONS

- 2.1 To comply with the Council's Contract Procedure Rules
- 2.2 To avoid presentation of individual requests for approval to procure to various Council committees.

3. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 3.1 The only alternative action is to present individual requests to Policy and Resources Committee and other theme committees. This was rejected as being burdensome both to Council officers in preparing such reports and committee members in the time that would be required to consider them.
- 3.2 There is also a timing issue in that many of these procurements will need to start within weeks and it would not be possible to schedule individual approvals from relevant theme committees in time.

4. POST DECISION IMPLEMENTATION

- 4.1 Officers will proceed with the procurements listed in the revised Plan.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

The Forward 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 Procurement Forward Plan drives achievement of the Council's strategic objectives as set out in the Corporate Plan 2013-16 to:

- Promote responsible growth, development, success and sustainability across the borough
- Support families and individuals that need it – promoting independence, learning and well-being
- Improve the satisfaction of residents and businesses with the London Borough of Barnet as a place to live, work and study.

5.2 The Authority is a signatory to London Council's Procurement Pledge "to create jobs and training through its supply chain." Typically this will include a requirement of suppliers to:

- Recruit a percentage of the workforce locally, for example by advertising with local Jobcentre Plus.
- Create apprenticeships
- Offer a number of work placements to young people, graduates, or workless people.
- Offer additional training and qualifications opportunities to a percentage of their existing workforce.
- Work with their own supply chains to create additional opportunities.

There is also a statutory requirement to operate within the Public Services (Social Value) Act 2012 which requires the Authority to consider:

(a) how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area, and

(b) how, in conducting the process of procurement, it might act with a view to securing that improvement.

Consequently delivery units will be asked to confirm that the development of specifications for all proposed procurements have taken these requirements into consideration. It should be noted that such considerations could compromise the Council's ability to maximise the value for money it can achieve, so a balance will be sought wherever possible.

5.3 **Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)**

5.4 The costs pertaining to the contracts contained within the Appendix to this report are contained within the individual service budgets of the Council.

5.5 A 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 are monitored throughout the financial year by the Procurement Board.

5.6 **Legal and Constitutional References**

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

5.8 "Authorisation" is the approval required before quotations or tenders for supplies, services or works may be sought in accordance with Section 7. Section 7 outlines Authorisation 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 have 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.

- 5.9 The Council's Constitution, Responsibility for Functions, Annex A, sets out the terms of reference of the Policy and Resources Committee including 'Procurement (including agreement of the Procurement Forward Plan'

Risk Management

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. In addition the Council will be unable to forward plan the need for appropriate resource to support the programme. Well planned processes will enable effective commercial negotiations to take place thereby driving lower costs from the portfolio of contracts put to market.

Equalities and Diversity

Pursuant to the Equality Act 2010, the council and all other organisations exercising public functions on its behalf must have due regard to the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; advance equality of opportunity between those with a protected characteristic and those without; promote good relations between those with a protected characteristic and those without. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. It also covers marriage and civil partnership with regard to eliminating discrimination. All organisations that submit tenders for Council business are required to submit their Policy Statement regarding how they manage compliance with the relevant Equality acts.

Consultation and Engagement

Consultation and engagement will take place within individual procurement projects as appropriate to the product(s) or service(s) required.

6. BACKGROUND PAPERS

- 6.1 Cabinet Resources Committee, 4th November 2013, approval of Contract Procurement Plan.