

<b>Contract Monitoring and Community Benefit Task and Finish Group</b>			
<b>Recommendation to Cabinet (accepted)</b>	<b>Status</b>	<b>Information</b>	<b>Contact Officers</b>
<p><u>Recommendation One</u> Complex procurement and contract monitoring / management activity should be managed within the council under the following structure:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Procurement Officers (with responsibility for specifying and negotiating complex contracts);</li> <li><input type="checkbox"/> Delivery &amp; Performance Officers (with responsibility for monitoring / managing specified contracts and developing / maintaining an ongoing contractual relationship with vendors); and</li> <li><input type="checkbox"/> Clearly defined linkages should exist between Procurement Officers</li> </ul>	<b>Green</b>	<p><u>Cabinet resolution:</u> To agree the recommendations of the Overview and Scrutiny Task and Finish Group on Contract Monitoring and Community Benefit</p> <p><u>Update October 2012</u> 4 x Interim Supplier Relationship Managers (SRM) – Business Partners (Procurement Officers) have been deployed across the Delivery Units. Forward procurement plan for 2013/14 was approved by CRC in November 2012 and this is being used to plan future procurement activity and develop the sourcing strategies.</p> <p>A central Contract register has been collated and Contract Managers within the corresponding Service areas have been identified. (Delivery and Performance Officers). Central procurement has developed an eLearning Contract Management training tool. All named Contract Managers have carried out the training and successfully completed the test at the end of the training material. A Contract Management toolkit has also been developed and introduced to the Environmental, Planning and Regeneration Directorate through the successful delivery of three workshops. This will be extended to other Service Directorates during the coming months.</p> <p>Procurement Officers with responsibility for specifying and negotiating contracts have been engaged on an as needs basis and allocated to large, complex procurement processes as approved in the 2012-13 Procurement Plan.</p> <p>There is still more work needed on embedding the linkage between the SRM</p>	AD Commercial Assurance

<p>and nominated Delivery &amp; Performance Officers to ensure a balance between the negotiation of the contract and best practice in contract delivery.</p> <p>It is recommended that Delivery &amp; Performance Officers are in post in advance of the planned commencement of a contract to ensure smooth phasing out of the current arrangements and the introduction and delivery of a new contractual relationship. Structured succession planning arrangements should be in place to ensure that the essential skills and knowledge required to properly manage contracts for their entire lifecycle are not lost.</p>		<p>and Contract Managers.</p> <p><u>Update April 2013</u></p> <p>Previously Green</p> <p>Work continues on embedding the Business Partners (SRM) with contract managers. The CPRs have been revisited to include stronger reporting for contract performance data to ensure continuous improvement fo delivery through the lifecycle of contracts.</p>	
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<p><u>Recommendation Two</u> Devolved procurement activity currently undertaken within Adult Social Care and Health, Children's Services and Environment, Planning and Regeneration be centralised to: ensure delivery of economies of scale; develop and enhance the internal control framework; and ensure that a central team has officers with the skills required to manage contracts effectively. Contract monitoring / management activity should be retained within directorates, with Chief Officers being accountable for the management of all contracts falling within their remit.</p>	<b>Green</b>	<p><u>Cabinet resolution:</u> To agree the recommendations of the Overview and Scrutiny Task and Finish Group on Contract Monitoring and Community Benefit</p> <p><u>Update October 2012</u> A central team of Supplier Relationship Managers – Business Partners has been established with specific control responsibilities dedicated to the registration and variation of contracts and vendors on the centralised SAP system.</p> <p>System options to procure services and goods throughout the Authority in an ad hoc manner have been reduced. Opportunities for non-compliant procurement activity have been reduced. Levels of compliance have risen to 99.9% by value and 98.85% by contract number.</p> <p>Linkages between contracts, vendors and authorised spend have been strengthened.</p> <p>A spend map by vendor and services/goods has been prepared. A draft assessment of savings opportunities for 2012-13 has been completed. Savings against this financial year are being tracked against targets.</p> <p>A procurement plan for 2013 and beyond, including key milestones, resource requirements and target savings is being developed.</p> <p><u>Update April 2013</u> <u>Previously Green/Amber</u></p>	AD Commercial Assurance

		<p>The procurement forward plan for 2013/14 was authorised by CRC in November 2012.</p> <p>In April 2012 Council Directors approved the recommendation that the central procurement and contract management tool kit must be used by all. Procurement is centralised and contract management is devolved to the delivery units.</p> <p>The revised CPRs, if approved by the Council will strengthen the relationships with the delivery units as all procurements over £10,000 (it is presently £25,000) will be carried out by the central team.</p>	
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<p><u>Recommendation Three</u> Each area of procurement activity is to have a Performance Advisory Group of not more than six Borough residents who meet four times per annum to co-ordinate and articulate feedback from the end user with</p>	<p>AMBER</p>	<p><u>Cabinet resolution:</u> To agree the recommendations of the Overview and Scrutiny Task and Finish Group on Contract Monitoring and Community Benefit</p> <p><u>Update October 2012</u> This recommendation remains outstanding.</p> <p><u>Update April 2013</u> <u>Previously Red</u></p> <p>Presently we are reviewing the areas of procurement activity that should have a Performance Advisory Group. Dependent on the Judicial Review we</p>	<p>AD Commercial Assurance</p>

Procurement Officers.		will implement with Capita.	
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<p><u>Recommendation Four</u> Cabinet be requested to: amend the Corporate Plan to include a corporate priority relating to local businesses; and outline the approach the council will take to encourage local companies to benefit from local business opportunities. Recommended options include: <input type="checkbox"/> Establishment of a customer facing Business Helpdesk;</p>	<b>Green</b>	<p><u>Cabinet Resolution:</u> To agree the recommendations of the Overview and Scrutiny Task and Finish Group on Contract Monitoring and Community Benefit</p> <p><u>Update October 2012</u> A Procurement Strategy is currently being drafted which focuses on best practice toolkits, methodologies and interfaces with a wide range of community based stakeholders.</p> <p>To date we have:</p> <ul style="list-style-type: none"> <li>• Enhanced the business section of the web site although there is still more work needed.</li> <li>• There is a contact email address for procurement.</li> <li>• The Council helpdesk is used to funnel procurement issues to the Central Procurement Team. It is not intended that a specific help desk will be set up.</li> </ul>	AD Commercial Assurance

<p> <input type="checkbox"/> Enhancements to the 'Business' section of the council's web site;  <input type="checkbox"/> Providing briefings to local business forums on business opportunities available, including the Procure4London portal;  <input type="checkbox"/> In relation to new contracts:                      - Vendors to assist the council in creating: local job opportunities to enable Barnet residents to get back into work; and graduate trainee opportunities;                      - Apprenticeship opportunities; and                      - Sub-contracting parts of the supply chain (where possible) to local companies within the borough.                 </p>		<ul style="list-style-type: none"> <li>• A supplier briefing is being arranged for November, if feedback is positive others will be arranged and this briefing will also include how the supplier can use P4L to gain access to local opportunities.</li> <li>• New procurements, where appropriate, include use of local people, such as apprentices and local sub-contractors – this is in connection with the Localism project work.</li> </ul> <p>The localism agenda will be recognised within the Strategy and identified as a priority. Value for money assessments will reflect localism subject to the prevailing Regulatory Framework prior to the award of new contracts.</p> <p><u>Update April 2013</u> <u>Previously Green</u></p> <p>To build on previously reported activity a Supplier workshop with local suppliers was held in November 2012, this was a success and will now be delivered 2 times a year and will expand to 3<sup>rd</sup> sector suppliers too. The next event is organised for June 2013.</p>	
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<p><u>Recommendation Five</u> Steps should be taken to institute a 'culture of compliance' within the council, including:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> a commitment from Cabinet and Council Directors to take the steps necessary to ensure delivery of best practice procurement and contract monitoring / management throughout the authority, and to outline the steps that will be taken to achieve this;</li> <li><input type="checkbox"/> introduce a requirement for Council Directors to provide an annual sign-off of contractual compliance; and</li> <li><input type="checkbox"/> all staff involved in procurement and contract monitoring / management being set</li> </ul>	<b>Green</b>	<p><u>Cabinet Resolution:</u> To agree the recommendations of the Overview and Scrutiny Task and Finish Group on Contract Monitoring and Community Benefit</p> <p><u>Update October 2012</u></p> <p>A weekly compliance working group, which was attended by senior officers from the service areas, was established to embed compliance within the Service Areas. Compliancy is now at 99.9% by value and 98.85% by contract number.</p> <p>The working group has now been changed to a fortnightly meeting and is called the procurement steering group as it is focus on introducing good procurement practice throughout the Council. The Council Directors have committed to best practice procurement and contract management and have supported the introduction of the new tools and processes.</p> <p>The forward plan is being developed in order that there is a tool for resource planning and procurement compliance sign off.</p> <p><u>Update April 2013</u> <u>Previously Green/Amber</u></p> <p>As reported above the Council Directors committed to best practice procurement and contract management and have continued to support the introduction and use of the procurement tool kit.</p> <p>Contract management responsibility is delegated to delivery units through</p>	AD Commercial Assurance

**APPENDIX B**

<p>measurable objectives and performance targets in appraisals regarding this activity</p>		<p>their personal performance targets to actively manage and build commercial relationships with vendors and identify and mitigate potential risk situations.</p> <p>To further build on the above and strengthen governance the working group, that was established in 2011 has being replaced with a procurement board. The terms of reference for the Board include a sign off of contractual compliance.</p>	
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<p><u>Recommendation Six</u> Enhancements should be made to the SAP system to:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> make it the central repository for council contracts; and</li> <li><input type="checkbox"/> utilise the system for actual and exception reporting</li> </ul>	<b>Green</b>	<p><u>Cabinet Resolution:</u> To agree the recommendations of the Overview and Scrutiny Task and Finish Group on Contract Monitoring and Community Benefit</p> <p><u>Update October 2012</u> Service Directorates are now storing all digitised contract and associated procurement documents in a Central Contract Repository. Although SAP has the capability to upload these into memory, the capacity needed to store all contracts would create a significant reduction in system performance. An alternative option to upload URL linkages into SAP is being evaluated.</p> <p>All financial transactions placed through SAP are now based upon a SAP contract record. Officers now routinely use the SAP reporting system to identify spend activity by vendor, contract and service category.</p> <p><u>Update April 2013</u> Reconciliation of SAP contracts to published contract register and exception reporting completed for over £25k contracts. This is being further reconciled to contracts over £10k as per the revised CPR's, (revised CPRs awaiting approval by the Council).</p>	AD Commercial Assurance