

HUNTINGDONSHIRE DISTRICT COUNCIL

**Title/Subject Matter:** PROCUREMENT MEASURES TO SUPPORT COMPLIANCE

**Meeting/Date:** Corporate Governance Panel – 26 March 2014

**Executive Portfolio:** Resources: Councillor J A Gray

**Report by:** Procurement Manager

**Ward(s) affected:** All Wards

---

**Executive Summary:**

A report presented to the Panel on the 26<sup>th</sup> September 2013 considered procurement compliance and the Panel sought a report on measures taken and those planned to support compliance.

Changes made to the Code of Procurement were approved at Council on the 13<sup>th</sup> November 2013. Further measures proposed for inclusion in the Code includes instruction for managing suppliers during market sounding and open days.

A Procurement Strategy has been drafted and circulated for consultation.

The training programme continues with 12 courses run through the year based on a 2 year cycle with specific sessions delivered on-site to the 'hard to reach' groups, eg: One Leisure Managers.

The Contracts Register is an important control providing visibility of the procurement process and monthly checks have instigated to support users and identify incomplete process/entries.

Managers are required to notify the Procurement Manager by 1 April of planned procurements over £100,000 in the next year. The notifications together with information gleaned from the Procurement Manager's 6 monthly visits to Service/Divisional team meetings will be used to form a Forward Plan.

***Financial implications***

There are no financial implications as all the measures undertaken or proposed can be managed within existing resources.

***Risk***

These measures are intended to ameliorate the risk of breaches of the Code of Procurement and EU Directives.

**Recommendation(s):**

The Panel is asked to note the measures implemented and proposed to support compliance with the Code of Procurement.

## **1. BACKGROUND AND PURPOSE**

- 1.1 A report presented to the Panel on the 26<sup>th</sup> September 2013 considered procurement compliance. This brief report summarises measures introduced or proposed to support compliance.

## **2. CODE OF PROCUREMENT**

- 2.1 The Code was updated and subsequently approved at Council on the 13<sup>th</sup> November 2013. The changes have been incorporated into training and managers were informed separately. The key changes were:

- All staff undertaking a procurement with spend greater than £5,000 are required to have attended training.
- No organisation involved in preparing a specification or other contract document can be invited to quote or tender unless approved by the Head of Legal and Democratic Services.
- A restriction on post tender negotiation to revise specifications except in very specific circumstances and only if approved by the Head of Legal and Democratic Services.

- 2.2 There are a further 2 proposed changes to improve compliance:

- Instruction for managing suppliers during market sounding and open days.
- Raise the formal quote threshold to £10,000 to simplify low value procurement. (Formal quotes are unduly complex for staff and suppliers alike for the modest £5,000 threshold).

These changes and the others proposed to the Code of Procurement are the subject of a separate report.

## **3. PROCUREMENT STRATEGY**

- 3.1 The Strategy sets out how we will deliver 'Best Value':

- Identify savings opportunities through lower acquisition costs and 'good enough' service standards.
- Make procurement easier for suppliers and the Council alike.
- Increase the professionalism and commercial skill of procurements carried out by the Council.
- Give more opportunity to local and SME suppliers to participate by increasing visibility of our procurement plans and opportunities.
- Maximise innovation, sustainability and collaboration in our procurement activities.

A Procurement Strategy has been written and has been circulated for consultation.

#### **4. TRAINING PROGRAMME**

4.1 The training programme continues with 12 courses run through the year based on a 2 year cycle. Courses run on topics dealing with suppliers, contract management, contracts register as well as quotes and tendering. A separate course is run for users of the e-marketplace. Specific sessions and tailored briefings have been provided to Leisure Centre Managers/Deputy Managers and Team Managers.

Over 130 staff trained and over 100 in using the e-marketplace.

4.2 Training Schedule:

- 26 Mar 14 e-Marketplace (new staff & re-fresher).
- 24 Apr 14 Quotations.
- 29 Apr 14 Quotations.
- 14 May 14 One Leisure Managers (Quotations & Tenders).
- May Date to be arranged: EFH Staffs.
- 11 Jun 14 EU training.
- 3 July 14 Tenders.
- 11 Sep 14 Contract Management.
- 25 Sep 14 Tenders.
- 22 Oct 14 Dealing with Suppliers/Negotiation.
- 4 Nov 14 e-Marketplace (new staff & re-fresher).
- 4 Dec 14 Specification Writing

#### **5. CONTRACTS REGISTER**

5.1 Besides eliminating paper, the Contracts Register is used to record the key steps in a procurement and provides visibility of the process and evidence of compliance. A monthly check of the contracts register has been instigated to identify incomplete process/entries and support users.

#### **6. FORWARD PLAN**

6.1 One of the amendments to the Code of Procurement made on the 13<sup>th</sup> November 2013 was the requirement for Managers by the 1<sup>st</sup> April each year advise of all “contracts to be advertised in the following year” and “spend likely to exceed £100,000”. This will form the basis of the forward plan for the Procurement Manager. A reminder has been issued to Managers.

6.2 The Procurement Manager is taking a pro-active approach by attending Service/Team Management meetings every 6 months to obtain early notice of forthcoming procurements and using the opportunity to update managers with what’s new in procurement; eg: changes to the Code.

## **7. RECOMMENDATION**

- 7.1 The Panel is asked to note the measures implemented to support compliance with the Code of Procurement.


### **Background Papers**

Current Code of Procurement

#### **Contact Officer:**

**Nigel Arkle**

Procurement Manager

 01480 388104