

Executive 27 01 20

**REVIEW OF PROCUREMENT AND CONTRACT MANAGEMENT STRATEGY
2018-2021**

LEAD MEMBER: Councillor Steven Morgan

LEAD OFFICER: Sarah Pemberton, Director Corporate Services and Commercial Strategy

REPORT AUTHOR: Leanne Birkett, Procurement and Contract Management Officer

WHAT BENEFITS WILL THESE PROPOSALS BRING TO COPELAND RESIDENTS?

The Procurement and Contract Management Strategy sets out a framework to ensure both the Council's commercial arrangements and contracts awarded, are fit for purpose and offer excellent value for money. This review will ensure our procurement expenditure provides the best possible social value for our residents, businesses and tax payers.

WHY HAS THIS REPORT COME TO THE EXECUTIVE?

The Procurement and Contract Management Strategy has been reviewed as specified in the original report presented to Executive in November 2018, to reflect the evolving needs of the Council and include:

- updates from the revised Contract Standing Orders (September 2019)
- elements of the new Corporate Strategy 2020-2024
- elements of the new Commercial Strategy 2019-2023

This updated document is presented to Executive for approval.

RECOMMENDATIONS:

1. To approve the amendments to the Procurement and Contract Management Strategy 2018-2021 attached in Appendix A.

1. INTRODUCTION

- 1.1 The Procurement and Contract Management Strategy Review at Appendix A of this report sets out the Council's latest strategic approach to Procurement and Contract Management.
- 1.2 The policy requires an annual update, however it is anticipated with the term strategy updates the changes proposed will be effective until 31 March 2021, subject to consequential changes requiring update and incorporation as required.
- 1.3 The review of this Strategy is intended to ensure the Council continues to obtain both optimum value for money and highest quality achievable, in all its procurement activities and within a framework that supports the principles and priorities of the Council's Corporate and Commercial Strategies.
- 1.4 The revised Strategy will be communicated to all employees, partners, suppliers and stakeholders so they are informed when procuring goods, works and services.

2. SUMMARY

- 2.1 The revisions to the original Procurement and Contract Management Strategy and therefore incorporated into the revised Strategy can be summarised as follows:
 - a) The future review date of December 2020 has been changed to March 2021 in line with the expiry of this Strategy and when a new version shall be prepared.
 - b) Alignment with the new Corporate Strategy 2020-2024 specifically within 3.1 of Appendix A and subsequent references throughout.
 - c) Link to the new Commercial Strategy 2019-2023 specifically within 3.2 of Appendix A and subsequent references throughout.
 - d) References to the new Contract Standing Orders and new processes are included throughout Appendix A.

- e) Amendments to KPI's in Section 14:-
 - i) Reduction in 19/20 and 20/21 targets for Minimum 1/2 bidders from local suppliers from 67% to 25% each year to recognise the original level is too optimistic for locality and current economic environment. Suppliers respond to national adverts and although those in the locality are encouraged to participate, we are unable to restrict to local suppliers only.
 - ii) Removal of customer survey feedback.
 - iii) Removal of local suppliers encouraged to register on the Chest. This data is unable to be collected consistently due to the decentralisation of this part of the Procurement Service to individual Service Managers.
 - iv) Annual savings achieved and delivered - the cost/savings values (£+/-) will now be included, as already reported to CLT.
- f) Recognition that our commitment to adopt a Procurement Champion at the beginning of the municipal year (as in Section 9 of Appendix A) has not materialised, instead the Procurement Service has the advantage of engaging an Executive Portfolio Holder with strong proven experience and credentials in Procurement.

3. CONCLUSION

- 3.1 The principles contained within this strategy update will be applied to the ongoing procurement and contract management activity throughout the period to March 2021.
- 3.2 Since the adoption of our revised Contract Standing Orders in September 2019 together with the introduction of new processes and individual mentoring for Service Managers, the authority is already seeing benefits and the increase in use of the service throughout the Authority.
- 3.3 We will continue to track savings achieved to highlight value for money obtained through the service. We will also continue to

improve ongoing communication of these procurement achievements within the Portfolio Holders Report, providing a current overview of the service for each Full Council Meeting.

4. STATUTORY OFFICER COMMENTS

- 4.1 Legal comments are: Any relevant legal issues are covered within the proposed strategy. Legal Services are actively involved in day to day procurement matters and any legal issues relating to specific contracts are dealt with separately. As the proposed strategy does not form part of the Council's Policy Framework (as defined in chapter 5, paragraph (iii) of the Constitution) adoption of the strategy is, by law, a matter for the Executive.
- 4.2 The Monitoring Officer's comments are: Contained within report. This strategy strengthens the governance regarding Council's procurement and contract activity, and, the monitoring and review of performance to ensure fit for purpose.
- 4.3 The Section 151 Officer's comments are: This Strategy ensures the Council adopts processes to secure best value and achieve Value for Money in order to demonstrate economy, efficiency and effectiveness of service delivery.
- 4.4 EIA Comments: EIA to be completed for each individual procurement exercise where the procurement outcome will impact on residents.
- 4.5 Policy Framework: the proposed strategy does not form part of the Council's Policy Framework (as defined in chapter 5, paragraph (iii) of the Constitution) adoption of the strategy is, by law, a matter for the Executive.

5. RESOURCE REQUIREMENTS

- 5.1 No additional resources will be required. The commitment of the Mayor, Chief Executive, Corporate Leadership Team and Officers in

applying this revised strategy will ensure the Council obtains optimum value for money for every pound of public money it spends.

6. HOW WILL THE PROPOSALS BE PROJECT MANAGED AND HOW ARE THE RISKS GOING TO BE MANAGED?

6.1 The performance indicators will be reported quarterly and the targets will be monitored on an ongoing basis to ensure best value through continuous improvement.

7. WHAT MEASURABLE OUTCOMES OR OUTPUTS WILL ARISE FROM THIS REPORT?

7.1 The targets outlined in the performance indicator section of the report at Appendix A, will ensure we achieve the objectives of the Procurement and Contract Management Strategy.

List of Appendices

Appendix A – Procurement and Contract Management Strategy 2018-2021