MINUTES OF PROCUREMENT TASK GROUP
29 SEPTEMBER 2011

PRESENT:

Members of the Group: Councillors Mrs Kaur (Chairman), Mrs Bragg, Roodhouse and Srivastava

Officers: Doug Jones, Head of Business Transformation; Scott Ashwood, Procurement Officer; Paul Ansell, Scrutiny Officer; Linn Enticott, Democratic and Scrutiny Services Officer.

19. MINUTES

The minutes of the meeting held on 23 March 2011 were approved and signed by the Chairman.

20. APOLOGIES

Apologies for absence from the meeting were received from Councillor Cranham

21. DECLARATIONS OF INTEREST

There were none.

22. PROCUREMENT STRATEGY 2012-16

The Procurement Officer gave the group a brief introduction to the new strategy and informed the group of the main differences between the Procurement Strategy for 2008-11 and the new draft version for 2012-16. The main points made were:

The new strategy is more streamlined and was specifically designed to link in and support the general principles contained in the Council’s Corporate Strategy.

It was designed to provide clear direction and a co-ordinated strategic approach to the procurement process.

The document is similar in design and contains the same key principles as the strategy for Nuneaton and Bedworth Borough Council which will support shared service and partnership working.

It will raise the profile of the procurement process and support the supervision of procurement and contracts management.

The strategy will maintain the Council’s compliance with all procurement-related legislation.

The strategy has been pared down to a true strategy that has been based on four key areas:
Value for money
Strategic procurement
Compliant procurement
Collaboration

Members were informed that the strategy was still at the draft stage and were asked to make recommendations and changes. During discussion the following points were made:

It was noted that the fourth paragraph of the first page had been removed.

Members commented that there were a number of elements across other documents that had not been cross referenced and it was agreed this should be included.

It was agreed that a hotlink to the Procurement Toolkit was needed.

It should be made clear that value for money (the first key area) did not simply mean the cheapest. Value for money should not impact negatively on quality.

The group discussed the phrase “without attempting to reduce profit margins” under Strategic Procurement. It was agreed the second sentence of the section should be amended to read “In this area it is important to concentrate on building excellent working relationships with contractors and collaborative partners with a view to driving down costs while still remaining sustainable for suppliers.”

The second bullet point of the Collaboration section should be amended to read “Encourage the use of collaboration within commodity groups and value for money/service requirements can be improved.”

The first bullet point of the Procurement Vision on the final page should be amended to read “Make procurement happen at the most efficient level with the right people.”

Members commented that good ideas for monitoring the procurement process existed but questioned how improvements would be measured and be visible. They were informed that the action plan would sit behind key performance indicators and the benchmark for procurement performance would be based around data in terms of spend and performance and the key performance indicators. The key performance indicators needed to be meaningful and were currently in the process of being put into place. The action plan and benchmarking measures will be input onto Covalent.

Members raised concerns that though the action plan could work in operational terms it needed to be more detailed. They were informed that the detail in the action plan had been pulled from the 2008-11 action plan. It was agreed that the actions needed to be clearer and linked to both the priorities and expected outcomes. The key points from the new strategy needed to be broken down to form the actions.

It was agreed that the action plan would be re-drafted to include the detail below the high level areas of activity currently included. These lower level actions would help to establish the desired clear linkages between action and expected outcome as detailed within the strategy.
It was noted that this approach would assist the work of audit in tracking progress.

The action plan should be an easily understood stand alone document.

23. FUTURE WORK

The task group discussed its future work and raised the following points:

The group were informed that it was unclear when a replacement for the Procurement Officer would be in position. Steve Ryder the shared Procurement Manager was currently covering the day to day work for both Rugby and Nuneaton and Bedworth. The recruitment process was underway for a replacement officer and as an interim measure support will be drawn from within the shared service as necessary.

Members asked how work to update Covalent with both new and existing contract details was progressing and were informed that all those that had gone through the procurement team were now included in the new contracts database. There were plans in place to load information received from all contract managers and this was progressing slowly.

80% of the Council’s contractual spend (20% by volume) has been uploaded onto Covalent. Work was still ongoing to source the remainder of the contracts, to load the information into Covalent and to ensure that when these are re-tendered that full use of procurement and legal guidance and expertise would be made. This will improve significantly conformance and compliance of approach to procurement across RBC.

Members agreed the existing toolkit was too long and complicated and a revised toolkit that was streamlined and simple to follow was essential.

Ideally all contracts would be handled by procurement officers but this aspiration may be challenging. A simplified toolkit would give contract managers support and guidance and act as a necessary prompt. This would also ensure that contact was made with the procurement team to gain crucial expert advice at the initial stage. It was agreed that the development of a revised concise toolkit should be included in the action plan.

The group considered three options for its future work including:

(1) the group should end its work having reviewed the Contract Standing Orders and Procurement Strategy. The toolkit could be incorporated into the action plan;

(2) the group should report to Corporate Performance Committee and suspend its activity until work could continue to oversee the toolkit; or

(3) the group should end its work to allow the Employee Wellbeing Review to commence and re-convene again at the end of the calendar year.

The group agreed that it would prefer to continue its work to review the Procurement Strategy and action plan after the recommended changes had been made and then report to Corporate Performance Committee on 10 November. The group would then suspend its work until a new Procurement Officer had been appointed and work could commence on the toolkit when the task group would re-convene.
The One-Page Strategy was reviewed and it was agreed that, with the exception of the toolkit, the outcomes had been completed. A comment was made that, although there had not been an explicit focus on the issue of compliance, the discipline imposed by the Covalent-based contracts database would achieve this by helping contract managing officers to be compliant.

The group were informed that work on the contracts database was happening on a sub-regional basis. This had been quite a step change and put Rugby ahead of other authorities who only have simple systems such as spreadsheets in place.

The group agreed that its final meeting should be held on Wednesday 19 October to review the updated Procurement Strategy draft review report and action plan. Members requested that draft copies be circulated in advance of the meeting. The Scrutiny Officer will inform the Resources and Corporate Governance Portfolio Holder of the progress of the review and invite him to comment.

CHAIRMAN