PRESENT:

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

Officers: Doug Jones, Head of Business Transformation; Steve Ryder, Strategic Procurement Manager; Dan Rouse, Procurement Officer; Paul Ansell, Scrutiny Officer; Linn Ashmore, Democratic and Scrutiny Services Officer.

The Task Group welcomed Dan Rouse who joined the Council as Procurement Officer in January.

28. MINUTES

The minutes of the meeting held on 19 October 2011 were approved and signed by the Chairman.

29. APOLOGIES

Apologies were received from Councillor Srivastava.

30. DECLARATIONS OF INTEREST

There were none.

31. PROCUREMENT STRATEGY ACTION PLAN

At its last meeting on 16 October 2011 the task group had asked that more detail on dates in the strategy action plan be provided.

The four key delivery areas of the Procurement Strategy will be delivered through the action plan and a separate column has been created to include these in the action plan.

Members considered the action plan and made the following points and changes:

A paper detailing the combined Rugby Borough Council and Nuneaton and Bedworth Borough Council (NBBC) data relating to the key performance Indicators for quarter 1 (April-June 2012) was circulated to members. This was an example of the type of management information that would be produced in order to monitor the implementation of the strategy. A copy is attached to the minutes. Members asked about the figures for the spend on contracts with small and medium-sized enterprises (SMEs).

The new leisure centre project, using a large contractor, has affected the overall percentage for SME spend. The SME spend for the last quarter dropped to around 30%, but this was still in line with Government targets. Historically Rugby has a high % spend with SME’s, and this can be good for the local
economy. However, a balance should be sought between value for money and the social and economic needs of the borough.

It was agreed that the report provided information at an appropriate level of detail and that it would be a valuable aid to monitoring.

Work was taking place to source data on spend under contract. This is proving to be difficult as not all contracts are visible on Covalent, however further interrogation of spend data will provide better information. Previous savings data for the KPI’s was stored on a computer used by the Procurement Officer who has since left the Council. It was hoped that action could be taken to retrieve this. In future this data will be captured as savings are recorded.

Actions will be monitored through Covalent and performance will be reported to Corporate Performance Committee as part of the quarterly finance and performance data.

It was agreed that Corporate Performance Committee should be requested to decide how data and information should be shared though the group commented that information on the SME spend should be accessible to all members.

Members asked why the planned date for key aim 2.1 – maintain a contract management system using Covalent enabling visibility and transparency – was 2014 and were informed this was to allow time to track down all existing council contracts. The maximum length of any contract is likely to be 3 years so this would ensure none were missed. Officers were using the Spikes Cavell spend-analysis system to look for spending patterns that would indicate a contract was in place.

Procurement officers have been involved in a lot of tactical work including a number of large contracts and the strategic side of their work has been on hold. Work was planned to raise awareness of the procurement processes and the implications of not following these correctly.

Although the action plan shows a target date of 2012, work to compare spending and rationalise suppliers would continue on a regular basis.

There were a number of procurement resource issues on the horizon including housing projects such as Pettiver Crescent, Tower Blocks etc and NBBC also has some big building projects looming. Procurement is a shared service area offering great saving opportunities but there is need to ensure the service is effectively resourced and equipped to manage these projects and associated responsibilities. Construction contracts require a different level of skill and knowledge and it may be useful to have the expertise of a construction buyer or to utilise existing construction frameworks.

Scape – a local authority controlled “contracting authority and central purchasing body” – offer a range of frameworks made up of existing supply chains which provide further opportunities to make efficiency savings and reduce risk.

The e-procurement system (2.6) has been implemented at NBBC and once its success has been reviewed it will be introduced at RBC. This is on target as planned for 2013. It is a web-based software system and NBBC has borne the initial set up costs so this can be introduced at little cost. A number of local authorities have already expressed an interest in the system and there could be further opportunities to sell the system and service on a wider basis.
Members asked if effective measures were in place to ensure the latest legislation and compliance would be upheld. Information on the procurement process and contract management is available on the intranet for everyone. Internal audit is also an integral part in ensuring the right levels of assurance are in place and all budget managers will undergo contract management training. Work is also ongoing with NBBC to standardise procurement documentation.

Key aim 3.4 – the second sentence of the detail should be amended to read “Ensure all legislation is adhered to during tender process, awards are compliant and feedback given to suppliers”.

It was noted that the action for key aim 4.5 – Investigate ways to maximise opportunities with the local voluntary and community sector – could prove difficult. The aim was to link to and encourage other public authorities to use the same tendering portal. From January 2013 In-Tend will be introduced as an e-tendering tool. Members suggested that procurement officers make contact with Warwickshire CAVA and Warwickshire Clinical Commissioning Group to explore opportunities with the community and voluntary sector.

Members raised the issue of the Community Right to Challenge provisions of the Localism Act. It might be necessary to amend Contract Standing Orders to deal with the procurement stage following the council’s acceptance of a community challenge for the operation of a service. There were a number of procedures – other than those specifically relating to procurement – that needed to be established to process challenges and once agreed these need to be included on the Council’s web site. The group requested that the Head of Business Transformation liaise with the Leadership and Operations Team to decide on who would be responsible in order to take the matter further.

It was agreed that key aim 4.5 details be amended by adding: “Identify areas within the Localism Act that require local action”. The Scrutiny Officer will also raise the topic through the Constitution Review Working Party.

32. PROCUREMENT TOOLKIT

At its last meeting the task group decided that the previous toolkit was too cumbersome so it has since been streamlined and is made up of a two-part flow chart.

Initial feedback from a recent framework meeting where other local authorities were present was positive. A comment made was that it made the process simple and easy to understand.

The Procurement Officer gave the task group a brief overview of the toolkit and advised it had been tested by the audit department. Guidance notes have been produced to support the toolkit.

The toolkit is in two parts. Step 1 shows the process before any procurement takes place and step 2 is the procurement process. The grey areas are those where procurement officers must be involved.

Legal timescales have been included for information. These reflect the Contracts Standing Orders and give a picture of the length of time needed for the tendering process.

It will be necessary to ensure that the Council Constitution is up to date to reflect the changes made to the toolkit.
The task group approved the toolkit and guidance notes subject to the following changes:

- Headings to be inserted.
- Step 1 – box regarding risk register be amended to read “if external consultant required return to step 1 to procure”.
- Step 1 – change wording of Go and No Go boxes to Yes and No.
- Step 2 – change box below £5,000 - £24,999 to invite and receive 3 written quotes. A further box should be added to contact procurement officers.
- The contact email addresses and phone numbers for procurement officers will be added to the toolkit.

The toolkit should be maintained in a shared area using software for which the council has a licence.

The Scrutiny Officer will incorporate the procurement strategy action plan, toolkit and guidance notes in the existing review report prior to submission to Corporate Performance Committee on 22 November, and then to Cabinet.

There is no need for a separate review action plan as the task group is satisfied that all of the review’s recommendations have been put into effect.

Members of the task group thanked Steve Ryder and Dan Rouse for their hard work. They also thanked the Chairman, Councillor Kam Kaur.

CHAIRMAN
Key Performance Indicators

Rugby Borough Council

April – June 2012 (Q1)

Written by: Naomi Beckett
Date: 11th October 2012
Overall Expenditure

1st April 2012 - 30th June 2012

£3,841,909.18

Percentage Credit Card Spend:

Rugby BC and Nuneaton and Bedworth BC Combined Expenditure

1st April 2012 - 30th June 2012

£5,854,264.83
Top 10 Suppliers by Spend

Net Amount of Spend

- £1,071,117.65
- £154,855.13
- £107,330.07
- £84,756.04
- £82,871.51
- £75,543.18
- £61,143.29
- £57,693.01
- £57,276.88
- £49,041.75

- Shepherd Construction Ltd
- Currall Lewis & Martin (Construction) Ltd
- Watson Petroleum
- Integral UK Ltd
- Regent Office Care Ltd T/A Regent Cleaning
- DC Leisure Management Ltd (Otium)
- JADA Building & Maintenance Services Ltd
- Southern Electric
- Warwickshire County Council
- Northgate Information Solutions UK Ltd
## Top 10 Departments by Spend

<table>
<thead>
<tr>
<th>Department</th>
<th>Net Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Queen's Diamond Jubilee Leisure Centre Project</td>
<td>£1,116,647.68</td>
</tr>
<tr>
<td>Unplanned Maintenance and Repair</td>
<td>£255,305.98</td>
</tr>
<tr>
<td>Domestic Waste Collection</td>
<td>£146,869.67</td>
</tr>
<tr>
<td>Handy man</td>
<td>£144,298.26</td>
</tr>
<tr>
<td>Highways</td>
<td>£134,268.54</td>
</tr>
<tr>
<td>Garage Internal</td>
<td>£122,076.93</td>
</tr>
<tr>
<td>Kitchen Modifications</td>
<td>£88,791.90</td>
</tr>
<tr>
<td>Gas Heating Systems</td>
<td>£84,388.49</td>
</tr>
<tr>
<td>Open Spaces Refurbishment</td>
<td>£77,554.42</td>
</tr>
<tr>
<td>Grounds Maintenance</td>
<td>£77,120.57</td>
</tr>
</tbody>
</table>
## Top 10 Categories by Spend

<table>
<thead>
<tr>
<th>Category</th>
<th>Net Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Contract Payments</td>
<td>£1,533,409.37</td>
</tr>
<tr>
<td>External Contractor &amp; Operator</td>
<td>£506,409.46</td>
</tr>
<tr>
<td>R&amp;M External Contractors</td>
<td>£462,948.68</td>
</tr>
<tr>
<td>Materials</td>
<td>£246,578.32</td>
</tr>
<tr>
<td>Agency Staff</td>
<td>£117,055.56</td>
</tr>
<tr>
<td>IT Capital Expenditure</td>
<td>£90,614.58</td>
</tr>
<tr>
<td>Contract Cleaning</td>
<td>£74,556.16</td>
</tr>
<tr>
<td>Software Maintenance</td>
<td>£69,505.58</td>
</tr>
<tr>
<td>Electricity</td>
<td>£62,107.75</td>
</tr>
<tr>
<td>Vehicle Repair and Maintenance</td>
<td>£53,836.79</td>
</tr>
</tbody>
</table>
Spend Under Contract

Percentage Spend Under Contract:
### SME Supplier Base and Spend

<table>
<thead>
<tr>
<th>Company Type</th>
<th>Spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Company</td>
<td>£2,683,942.98</td>
</tr>
<tr>
<td>Medium Company</td>
<td>£387,922.53</td>
</tr>
<tr>
<td>Small Company</td>
<td>£770,043.67</td>
</tr>
</tbody>
</table>

#### Percentage SME Spend

- **Large Company**: 20.04%
- **Medium Company**: 10.10%
- **Small Company**: 69.86%
Contracts and Tenders
Savings
Savings

Procurement Savings 2012/13

£12,000.00
£10,000.00
£8,000.00
£6,000.00
£4,000.00
£2,000.00
£0.00

April - June 2012
July - September 2012
October - December 2012
January - March 2013

Nuneaton
& Bedworth
United to Achieve