

Procurement Review progress update - one year on

Review title: Procurement
T&F Group chairman: Martin Phillips
Date reported to Cabinet: 11 April 2011
Cabinet Member: Peter Cartwright (Frank Downes at time of review)
Lead officer: Graham Collins
Date of progress report: 9th May 2012 (six month update was presented to OSCC on 18 October 2011)

Recommendation	Agreed Y/N	Cabinet Response (from 11 April 2011)	Responsible Officer	Action by date (from Cabinet)	Progress updates	Implemented Y/N
1. The Commercial Strategy (formally Corporate Procurement Strategy) should be updated, and clearly set out the Council's policy on strategic issues such as the involvement of small and medium-sized enterprises (under 250 employees) and strategic collaboration with others.	Already planned (YES).	The Commercial Services Strategy will replace the former Corporate Procurement Strategy which expired in 2008. It will reflect the new operating model for procurement and the Council's overall strategic aims and objectives with respect to the provision of services by third party organisations. It will be supported by other policies, including the Council's Sustainable Procurement Strategy which is also being updated.	Commercial Manager	Available for review/sign-off in Q2 F11/12	<p>6 month update Both the Commercial Services Strategy and the Sustainable Procurement Strategy which includes a protocol for engaging SME's are currently going through a review process prior to submission. The Commercial Manager will discuss both Strategies with the Commercial Board when it meets on 13th October 2011, and governance arrangements for signing-off both documents will be agreed.</p> <p>12 month update (May 2012) The Commercial Services Strategy and the Sustainable Procurement Strategy have now been merged into the one document following a request from COMT on 4th April 2012. The Strategy is reviewed by Cabinet Members on 23rd April 2012. Target date for approval of the Strategy is due by 30th June 2012. The Strategy coupled with the Service Plan for</p>	<p align="center">Y</p> <p align="center">Partially implemented – full implementation due by 30/6/12</p>

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					Finance & Commercial Services maps out the commitments for SME's and strategic collaboration.	
<p>2. The Commercial Board should ensure that it effectively communicates its work to County Councillors. This should include placing non-commercially sensitive information about its work on the intranet, such as agendas and a forward plan of projects.</p>	YES	<p>The Commercial Board is keen to promote its role and to develop a wider understanding of good commercial management practices across the organisation. The Commercial Board will publish its Agenda and the forward project plan on the intranet. County Councillors are also welcome to speak to project sponsors in relation to any specific project query.</p> <p>The Commercial Board is also able to provide briefings to members about its work or specific commercial topics.</p>	Commercial Manager	With effect from the May 11 Commercial Board and monthly thereafter.	<p>6 month update Copies of the Commercial Board agendas and the Commercial Project Pipeline are published on the Intranet for members to view.</p> <p>12 month update (May 2012) Closed. Recommendation fully implemented.</p>	<p>Y</p> <p>Y</p>
<p>3. The membership of the Commercial Board should be extended to include an additional County Councillor.</p>	Strengthens existing arrangements (YES)	To ensure that at least one Member is always represented at the Commercial Board, the Cabinet Member for Resources and/or the Spokesman for Resources will attend the Board	Commercial Manager		<p>6 month update The Cabinet Member for Finance & Resources and the spokesperson attends Commercial Board meetings.</p> <p>12 month update (May 2012) Closed. Recommendation fully implemented.</p>	<p>Y</p> <p>Y</p>

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<p>4. Where projects are identified as high risk and/or spend—as identified by the Commercial Board—the role and membership of any associated project boards should be communicated to County Councillors.</p>	<p>In line with point 2. (PARTIAL)</p>	<p>The Commercial Board tracks projects that have a spend impact of over £500k but they are not further segregated by risk.</p> <p>Although the sponsor and project manager are recorded the Commercial Board does not capture the role and membership of any associated project boards.</p> <p>In publishing the forward plan (item 2 above) the Commercial Board will however indicate the name of the Sponsor and in future whether a project board exists or not.</p>	<p>Commercial Manager</p>	<p>With effect from May 11 Commercial Board and monthly thereafter.</p>	<p>6 month update The Commercial Project schedule now includes information as to whether a governance board exists for individuals projects including the name of the sponsor so that Members can address any queries that they might have directly without referral to either the Commercial Board or Commercial Services.</p> <p>12 month update (May 2012) Closed. Recommendation fully implemented. Commercial Services will remind Project Managers of the need to communicate with County Councillors where a project is deemed to be a key project.</p>	<p>Y</p> <p>Y</p>
<p>5. The Overview and Scrutiny Commissioning Committee should receive a bi-annual report on commercial activity—including the pipeline of upcoming procurement projects and contract</p>	<p>YES</p>	<p>Commercial Services will provide a summary to the O&S Commissioning Committee on a bi-annual basis.</p> <p>However it should be noted that obtaining a comprehensive contract management/contract performance summary is linked with the roll out/adoption of the Contract Management Framework and the</p>	<p>Commercial Manager</p>	<p>October 2011 and every 6 months.</p>	<p>6 month update The first six month report is due to be presented to O&S Commissioning Committee on 18th October 2011. Future reports will be scheduled.</p> <p>12 month update (May 2012) Second six month report is due to be presented to O&S Commissioning Committee on 9th May 2012.</p> <p>The report will include an overview of key activity and</p>	<p>Y</p> <p>Partially implemented – full implementation is linked to Recommendation 11</p>

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<p>management information on high risk and/or high spend contracts, including the contractors' performance in responding to complaints.</p>		<p>development of a common complaints handling system – both of which are planned by roll out in 11/12.</p> <p>The common complaints system roll out is a dependency and this process is not owned by the Commercial Manager.</p>			<p>status of Contract Management Framework implementation but will not include contractor's performance in responding to complaints. Refer to Recommendation 11.</p>	
<p>6. The Overview and Scrutiny Commissioning Committee should identify which projects it believes requires further scrutiny and member involvement. The Executive should then offer the opportunity for one County Councillor to sit on the relevant project boards.</p>	<p>Is existing recommended practice (YES).</p>	<p>A Cabinet Member/Spokesman is always represented on all major Programme/Project Boards and this should continue.</p>	<p>Sponsor/ Head of Service depending on which projects are identified</p>		<p>6 month update No further action required. Information is being made available monthly.</p> <p>12 month update (May 2012) Pipeline information is being published which enables Members to identify project sponsors and make representations directly. No further action.</p>	<p>Y</p> <p>Y</p>
<p>7. Overview and Scrutiny members and Cabinet members should be offered</p>	<p>YES</p>	<p>We will develop a range of relevant material/briefing sessions or workshops that would address specific needs and facilitate better understanding.</p>	<p>Frances Mills/Commercial Manager</p>	<p>Second half F11/12</p>	<p>6 month update Commercial Services are working with Policy & Communications to develop a programme which will be delivered over December and</p>	<p>Y</p>

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<p>the opportunity to attend development sessions on commercial and procurement activity.</p>					<p>January.</p> <p>12 month update (May 2012) In progress and content is be determined by Members requirements. Training will be available during 2012/13 at times to be agreed with Members. This is a key objective for Commercial Services.</p>	<p>Partially implemented – full implementation by Qtr2 2012/13</p>
<p>8. Tender bids—particularly those that are high risk and/or high spend—should be robustly financially scrutinised by the relevant project team, including testing bidders’ pricing models against different market scenarios and their ability to achieve cost efficiencies throughout the lifespan of the contract.</p>	<p>Strengthens existing practice (YES)</p>	<p>It is important that BCC fully understands the inherent commercial risks in any contract and whether those that are being borne by a prospective contractor are reasonable, or likely to result in a secondary impact on the Council if the risk materialises and cannot be mitigated by the contractor.</p> <p>The process changes will require a strengthening of the commercial strategy relating to each procurement (i.e. closer examination of the proposed pricing model, contract flexibility, risk transfer) and more detailed scenario planning and assessment of bidder responses.</p>	<p>Commercial Manager (process)</p> <p>Commercial Board (scrutiny)</p> <p>Project Manager/Sponsor (project accountability)</p>	<p>Second half F11/12</p>	<p>6 month update High risk/spend projects are subject to much more scrutiny now than in the past. A process is in place to ensure Commercial Strategies are approved at an appropriate level (Commercial Manager/Head of Finance & Commercial Services).</p> <p>Market analysis prior to commencing procurement enables BCC to tender contracts using the most appropriate cost model.</p> <p>12 month update (May 2012) Closed. Recommendation fully implemented.</p>	<p>Y</p> <p>Y</p>

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<p>9. The central procurement team (commercial services) should take action to increase the accessibility of the tendering process to small and medium-sized enterprises and the voluntary sector, in partnership with the sector. This action should include:</p> <ul style="list-style-type: none"> • ensuring that tendering information is in plain English; • developing an early warning system so that organisations can be alerted to contracts with as much notice as possible; • holding training/awareness raising sessions on the 	<p>Already in progress (YES)</p>	<p>The team is currently working with Buckinghamshire Business First, and the Federation of Small Businesses, and will work with the Voluntary Community Sector to make its tender requirements more visible and easier to access.</p> <p>It is also looking to provide online training material to help small businesses understand how to tender/make their bids more effective. In line with the Government's Transparency Agenda all tenders (contracts over £50k) will be published online via the South East Business Portal with automatic alerts. Contract details (including term and end dates) and all documentation will also be published allowing potential bidders to have a view of the potential pipeline.</p> <p>The County Council is working with Community Impact Bucks to deliver the 'Building Bucks' project, providing a commissioning</p>	<p>Commercial Manager</p>	<p>All Tenders > £50k published by SEBP from July 11</p> <p>By end F11/12</p>	<p>6 month update Work is underway to mandate the use of the Council's eSourcing system which will increase transparency and the visibility of low value opportunities.</p> <p>Commercial Services have worked with Buckinghamshire Business First (BBF) to develop a County wide procurement portal called "Buy in Buckinghamshire" – which was launched on the 22/09/2011. This will allow all BCC tender opportunities to be publicised locally. The portal is also open to all other public and private sector organisations in Buckinghamshire. Commercial Services will be encouraging BCC's prime contractors to promote any opportunities for local companies to bid for goods/services required by BCC.</p> <p>Under the Transparency Agenda Commercial Services are compiling a central contracts repository which is visible to all suppliers.</p> <p>Commercial Services has developed a protocol for engaging with SME's when considering how services are to be delivered. This protocol is an</p>	<p>Y</p>

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<p>procurement process; and</p> <ul style="list-style-type: none"> proactively working with the voluntary sector to encourage the formation of consortia where appropriate. 		<p>broker between the voluntary and statutory sectors. This would include supporting the development of VCS consortia where appropriate'.</p> <p>Further work in terms of the response to Social Enterprises/Big Society initiatives will be considered as part of the Commercial Services/Sustainable Procurement Strategies.</p>			<p>appendix of the Sustainable Procurement Strategy.</p> <p>Commercial Services has agreed to support the new VS "Concordat" as part of its Sustainable Procurement Strategy.</p> <p>Work to simplify terms and conditions/training for SME's has been incorporated in the Commercial Services Strategy Action Plan.</p> <p>12 month update (May 2012) On 24th November 2011 Council approved revisions to Standing Orders relating to Contracts. One of the key revisions was to mandate the use of the corporate eSourcing system for all competition above £10k. For procurements up to £50k visibility/awareness of local businesses that are registered is promoted to Officers via the South East Business Portal. For procurements above £50k local businesses that are registered will receive an alert of new business opportunities.</p> <p>Work continues with Service Areas to improve compliance with Standing Orders relating to Contracts. Commercial Services welcomes the support of OSCC in promoting the benefits of a</p>	<p>Partially implemented – full implementation requires work on simplifying PQQ's and tender documentation and ensuring they use plain English and holding further training/awareness sessions with SME's/voluntary sector</p>

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					<p>common approach.</p> <p>Commercial Services continue to work with Buckinghamshire Business First to develop the Buy in Buckinghamshire procurement portal. We are ready to transmit new opportunities into the portal for procurements valued over £50k.</p> <p>Within the Commercial Services Strategy we have illustrated our approach to working with SME's over the next 3 yrs. Embedded targets will be monitored and reported upon.</p> <p>Commercial Services actively promotes consortia arrangements especially within local voluntary sector and SME's. One example is that the Council has funded two partnership workshops for organisations seeking to establish a consortia to bid for the Transformation of day Opportunities tender.</p> <p>Further training and support for SME's and Third Sector organisations is planned for 2012/13.</p> <p>Work to review and simplify the PQQ process is outstanding. PQQ's are not relevant for opportunities under £50k.</p>	

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<p>10. The Contract Management Framework should be implemented quickly with clear timescales for its rollout set.</p> <p>All staff undertaking procurement on a regular basis within services should be required at the minimum to hold a basic Chartered Institute of Purchasing & Supply (CIPS) qualification.</p>	<p>Implementation already planned (YES)</p>	<p>The Contract Management framework is being used in pilot mode and will be rolled out during 11/12. A full implementation plan will be developed to support this and regular updates will be provided.</p> <p>All procurement officers are fully CIPS qualified and junior staff will have at least a basic qualification (L2 CIPS Certificate)</p> <p>The responsibility for service related procurement staff (contracts <£100k) sits with Heads of Service. Scheme of contract delegation will be enhanced.</p> <p>Specific training/skills and competencies will also be needed for Contract Managers as part of the implementation of the Contract Management Framework. These may <u>not</u> be CIPS accredited.</p>	<p>Commercial Manager</p> <p>Heads of Service</p>	<p>During F11/12</p> <p>By end of June 11</p> <p>During F11/12</p>	<p>6 month update</p> <p>Implementation of the Contract Management Framework was initially delayed due to resource constraints but an implementation plan is now agreed and a Sponsor and cross functional implementation group identified. Roll out will begin mid-October and all priority one supplier/contract relationships will be assessed by 31/03/2012. A database of all suppliers BCC has done business with over the last 6 years has been set up.</p> <p>Contracts Standing Orders is being revised to mandate the use of the corporate eSourcing system to enable a central contracts repository to be created and increase the transparency of procurement activity across the organisation.</p> <p>A new contract scheme of delegation for signing contracts and variations is being proposed with responsibility above a particular threshold resting with the Commercial Manager and/or S151 Officer.</p> <p>During May and June 16 staff participated in the CIPS Certificate to Introduction in Purchasing & Supply and successfully completed the</p>	<p>Y</p>

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					<p>professionally accredited course. The programme was also extended to Schools and partner authorities. All Officers and Senior Procurement officers are CIPS qualified.</p> <p>Training for Contract Managers is being developed now and piloted in November within IT. It will be rolled out extensively during the next six months.</p> <p>12 month update (May 2012) Good progress is being made in implementing the Contract Management Framework with Neil Gibson as the sponsor. As part of the implementation a contract management user group has been established. Initial focus has been on assessing the Platinum contractors. Work is also planned to start assessing Gold contracts. Targets for roll out are included within the portfolio plan.</p> <p>Please see Appendix to main report for further information on the Contract Management Framework.</p> <p>Having sought Service Area nominations for professional training for officers who undertake regular procurement</p>	<p>Partially implemented – full implementation dependent on nominations for training</p>

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					we cannot confirm that this recommendation has been fully met. Commercial Services welcomes the support of OSCC in promoting the importance of these skills across the Council and support in developing a Commercial skills academy.	
<p>11. All contracts that provide a public facing service should include a clause that obliges contractors to follow the Council's complaints procedure, including recording and monitoring complaints in a central system to provide central oversight. Contract managers should monitor the performance of contractors in handling complaints, and take this into</p>	<p>Regularises existing practice. (YES)</p>	<p>A complaint relating to services provided by a third party to a member of the public may enter the organisation in a number of different ways. The responsibility for processing these as required to support the central system rests with the contract owner.</p> <p>However, if a complaint is registered with a supplier directly then the contract should make it clear what the correct process is. Standard Contracts will be amended to reflect this requirement.</p> <p>The contract management framework will also be amended to make specific reference to the monitoring resolution of complaints and the link to performance management.</p>	<p>Commercial Manager (process) and overall reporting to Commercial Board.</p> <p>Contract Managers (responsibility)</p>	<p>During F11/12</p>	<p>6 month update Changes to the corporate system is near completion. Once this work has finished the procedure will be reflected in contracts.</p> <p>12 month update (May 2012) Existing public facing contracts all have a clause that requires the contractor to operate a robust complaints management process.</p> <p>The Contract Management Framework requires contract managers to review the contractor's performance in managing complaints and to incorporate performance improvements based on the findings.</p> <p>Standing Orders have been modified to include a section on "Post Contract Monitoring" which obliges Contract Managers to monitor contracts in line with the Contract Management</p>	<p>N (In progress)</p> <p>Partially implemented – full implementation dependent on agreement of options paper</p>

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<p>account overall contract management decisions. The Contract Standing Orders should be modified to reflect this.</p>		<p>Overall monitoring and reporting to the Commercial Board will be undertaken centrally as per point 5 above.</p>			<p>Framework and to report any significant non-compliance or performance issues to Finance & Commercial Services and Legal & Democratic Services.</p> <p>Assessment has identified significant complexity that hadn't been previously considered. An options paper has been prepared jointly by Commercial Services and Customer Contact outlining how this recommendation can be implemented. This paper will be available 30th April 2012.</p>	