



Procurement Strategy

2015/16

Review of 2014/15

The Procurement Strategy for 2014/15 was approved by Cabinet on 27 March 2014 and set out five initiatives we identified to contribute to the themes of Low Tax, High Quality, Responsibility and Prosperity set out in the Corporate Plan.

The re-tendering of the contract for our Housing Responsive Repairs and Void Property Maintenance has taken considerable resources during the year. A contract of this value and complexity has been tendered in full accordance with all relevant legislation within a challenging timetable. We are pleased to report that it has been awarded, and commenced on 1 April 2015.

There were a number of unplanned pieces of work during the year:

1. Roofing Works at London Road Offices – a contract awarded to the company who carried out major refurbishment works to the second floor and staff toilets on the first floor recently.
2. Redevelopment of Fairycroft Car Park - this contract is being handled by Waitrose as part of their store re-development and an exception request has been completed and approved to provide an audit trail on the decision making process
3. Floorcoverings at London Road Offices - a national framework was identified for the delivery of these works for which the Procurement Manager invited further competition. The use of a framework is in keeping with our strategy, saving time and resources when tendering. In this case it allowed us to bring a contractor on site to complete the works within a tight time scale.
4. Pest Control Services - following the departure of several Officers from Environmental Health, the Procurement Manager provided advice and assistance to appoint an external service provider allowing the service to continue as required.
5. Logistics stream for Dry Recycling Materials - a collaboration between four authorities, and lead by Basildon, the Council expressed interest in joining this initiative given the performance issues being experienced with the current contractor. The Procurement Manager is providing advice as required to the client department
6. Window Replacement – London Road Offices - a national framework has been identified for the delivery of this work and pre-procurement dialogue has just commenced
7. Housing Stock Modelling Service - a new requirement, this was the subject of an exception request, approved by Cllr Redfern, the portfolio holder for Housing for our Environmental Health Team
8. Data Matching Warehouse - a collaboration across Essex, and lead by Chelmsford City Council, the Council expressed interest in joining this new counter fraud initiative The Procurement Manager has attended meetings at short notice to provide advice as required to the client department and will continue to do so during the tendering of the contract which is to be handled by the Essex Procurement Hub at Braintree

9. Refurbishment of Hill Street Public Toilets – the Procurement Manager was asked to tender this contract at short notice in November 2014. Advice was provided that the contract be let as a JCT Design and Build contract and the Procurement Manager prepared all contract and tender documents. The contract has been awarded and work has commenced.
10. Rural Broadband - The Procurement Manager was consulted in September 2014 and, there being no understanding of the range or number of potential providers, advised soft market testing by releasing an advertisement to gauge interest. Given the high numbers of companies responding, it was advised a tender be undertaken and advice and help was provided to the Economic Development Officer to develop contract and tender documents. A contract award is pending.

The focus on the responsive repairs contract and the significant number of unplanned works means that not all of the work on the plan has progressed as hoped. Interim arrangements have been put in place to ensure services are not disrupted and these will be addressed in the 2015/16 work plan.

Liaison with Officers using the new purchase order system continued throughout the year and a series of refresher training sessions were hosted and were well received. It is proposed these sessions will continue on a regular basis and as confidence in the data increases it will provide useful information to all departments for budget monitoring purposes

On 5th February 2015, new Public Contracts Regulations 2015 were laid before Parliament and came into effect on 26 February 2015. Significantly they include regulations that govern the way in which we conduct national tenders i.e. those below the EU thresholds (£173,000 for Goods and Services, £4.3m for Works). This will be covered in the priorities for 2015/16

In October, we attended the Meet the Buyer event held at Stansted Airport. This is an opportunity for local businesses to meet with the Procurement Team and find out how we might be able to work together. During the day we met almost 50 companies to discuss opportunities to work with the Council and give advice on how to do business with Uttlesford District Council and other public sector bodies.

Achievements against our action plan and work plan are shown on pages 3-4 and 8-12 respectively.

Procurement Action Plan for 2014/15

	Action	Outcomes	Achievements
1	Let contracts set out in the work plan for 2014/15	<ul style="list-style-type: none"> • Lawfully compliant contracts awarded on the basis of most economic advantageous tender, identifying improvements and cost savings as part of the strategy for their procurement, taking into account the needs of the local community where possible. 	<p>This has been an extremely busy period. The focus of resources has been on the Responsive Repairs and Voids Maintenance contract for the Housing Department with some impact on the rest of the programme of work. Interim arrangements have been agreed with contractors and all essential and statutory work is being carried out, but it has meant that not all contracts have been re-tendered as planned. See details below for specific information.</p>
2	Provide support for colleagues implementing new working practices as a result of the implementation of "E-Buy"	<ul style="list-style-type: none"> • Reduce administrative processes for placing orders and payment of suppliers • Speeding up payments to suppliers • Providing a transparent audit trail • Provide management information to undertake spend analysis 	<p>Use of E-buy, has increased across the Council with Officers becoming more proficient and confident in it's use and in turn streamlining the payment process. Increasing use has lead to an increase requirement for budget codes linked to Proclass spending categories to be added.</p> <p>A series of refresher training sessions have been hosted by the Procurement Manager which also involved the Payments Officer and Systems Support Officer. These have been well received with benefits to all attendees learning from each other and understanding how the process interlinks. Use of the system will continue to be an area of development and as confidence in the data increases it will be used to feed into the budget monitoring processes providing real time reporting on spending and commitments against budgets.</p>

	Action	Outcomes	Achievements
3	Formalise contract management procedures	<ul style="list-style-type: none"> • Provide support to Officers to improve management of contracts and contractors • Seek continuous improvements, innovation and better ways of working 	<p>In-house training enabled by the East of England Local Government Association has been provided and covered both Specification Writing and Contract Management. Officers are provided with working copies of contract documents when new contracts are awarded and advice regarding structured implementation is provided.</p> <p>The new Public Contracts Regulations 20105 enable us to take past performance into account when awarding new contracts and Officers understand the importance of an audit trail documenting poor performance if we wish to use this regulation. Contract Management is improving, but there is further scope to improve and this will continue to be an area for development.</p>
4	Review conditions of contracts	<ul style="list-style-type: none"> • To ensure contracts are relevant and up to date • Include a requirement for main contractors to include provisions for reporting and monitoring. • To cascade the policy for Safeguarding of children, young adults and vulnerable adults to contractors 	<p>The Procurement Manager is working with one of the Solicitors in the Legal Team, updating terms and conditions in line with Cabinet Office guidelines and embedding these requirements.</p>
5	Seek engagement with the London Stansted Cambridge Consortium	<ul style="list-style-type: none"> • To identify collaborative procurement opportunities, increasing purchasing power and engagement with local suppliers. 	<p>Originally thought to be an opportunity to purchase collaboratively, this consortium is focused on economic growth for the M11 corridor and therefore of limited value in terms of collaborative procurement. Links via the Economic Development Officer mean that contracts being let are brought to the attention of the Chamber of Commerce who are members of the consortium and support to the consortium is given in this way.</p>

Ambitions & Priorities for 2015/16

The new financial year is an opportunity to continue to share knowledge and skills across the organisation, cascading the newly introduced Public Contracts Regulations 2015. Part 4 of the Regulations impact the way all contracts are tendered, not just those above the thresholds for Europe. Under these, the Cabinet Office is given the power to direct the way in which this Council procures contracts. Deviations from the Regulations must be reported to the Cabinet Office. Whilst the Council does not tender many contracts above the threshold for Europe and has not therefore been significantly affected by previous Regulations, the 2015 Regulations, which require us to comply with the Cabinet Office directives on the way in which we work, may have a significant effect by giving Central Government control of our procurement activities.

The second focus for the year will be to further the use of E-Buy, the purchase order module in the Financial Information System, across all departments. The recent appointment of the Finance Systems Officer has provided invaluable support to the Procurement Manager to customise the functionality of the system for Officers. Increasing the use of the system will provide greater financial information and controls and reduce administration across the Council in the longer term.

As usual, as part of the annual review, Financial Regulations and Contracts Procedure Rules will be reviewed and recommendations put forward to the Corporate Management Team for consideration.

The programme of work for 2015/16 is significant and the implications of the Public Contracts Regulations will require that all procurement processes and tender documents be reviewed and scrutinised to ensure compliance. For these reasons, the coming financial year will be one of consolidation, building on good working practices, improving reporting against the Governments Transparency Agenda and focusing on the delivery of contracts in the work plan, rather than developing new initiatives.

We will continue to support Officers across the Council with advice and guidance along with further training as needs are identified.

Action Plan for 2015/16

	Action	Outcomes
1	Let contracts set out in the work plan for 2015/16	<ul style="list-style-type: none"> • Lawfully compliant contracts awarded on the basis of most economic advantageous tender, identifying improvements and cost savings as part of the strategy for their procurement, taking into account the needs of the local community where possible.
2	Provide support for colleagues implementing new working practices as a result of the implementation of "E-Buy"	<ul style="list-style-type: none"> • Reduce administrative processes for placing orders and payment of suppliers • Speeding up payments to suppliers • Providing a transparent audit trail • provide management information to undertake spend analysis
3	Review processes and all template documents (including Tender documents)	<ul style="list-style-type: none"> • To review and amend procedures as necessary • To review and amend all documents to ensure they are compliant with the Public Contracts Regulations 2015

Work Plan for 2014/15 & 2015/16

Requirements	Budget	Housing	Corporate	Update
EEIP Phase II - Commercial Boiler Replacements	£300,000/yr	✓		A contract was awarded to Oakray commence on 16 June 2014 following a tender for the work. This was to carry out the second phase of works in sheltered housing and came about following the termination of the previous contractor for failing to perform the contract as required
Domestic Boiler Replacements: <ul style="list-style-type: none"> Gas fired central heating Oil fired central heating and Air Source Heat Pumps (ASHP) 	£570,000/yr	✓		Previously several different contracts (one for oil fired boilers, one for gas fired boilers and requirements for ASHP's being tendered on an ad-hoc basis) this was brought together under one contract, which was tendered and let in June 2014, until March 2017 with an option to extend for two years. The contract was awarded to Advance Heating, who previously held the two contracts for oil and gas boilers. The Council has a long record of working with this small company (as defined under the SME definitions)
Responsive Repairs & Void Property Maintenance	£10,000,000	✓	✓	This contract was tendered and awarded on 30 March 2015 in accordance with the Public Contracts Regulations 2006 (as amended). The contract commenced on target on 1 April 2015 with a prime term of 5 years and an option to extend for a further 5 years. The scope and duration of the contract changed during the commissioning phase as the project team (Procurement, and the Housing team supported by an External Consultants) refined the requirements and packaged the contract in a way that would be attractive to the market. It now includes all electrical responsive repairs and covers the areas of work that numerous contractors have previously delivered. There is also an option to use the contractor to carry out works on non-domestic property owned or run by the Council. This will streamline working practices particularly for the Housing department, reducing the costs of managing and paying multiple suppliers. It is the first responsive repairs and voids maintenance contract to be awarded using the National Housing Federation model contract. The contract has been awarded to Roalco – the previous incumbent contractor and again, a contractor with whom the Council has a long standing relationship.

Supply & Installation of replacement kitchens and bathrooms	£550,000/yr	✓		This was tendered and let in December 2014 to Vinci Construction.
Housing Development - Main Contractor for Catons Lane	£866,759	✓		This contract has been tendered and a contractor appointed in May 2015
Water Monitoring & Treatment (Legionella Control)	£55,000/yr	✓	✓	An on-going arrangement with the incumbent provider is being continued given the statutory duties on the Council to carry out the works. The service has not been tendered in 2014/15 as planned and is on the programme of work for 2015/16
Lifts & Stair lifts	£32,000/yr	✓	✓	An on-going arrangement with the incumbent provider is being continued given the statutory duties on the Council to carry out the works. The service has not been tendered in 2014/15 as planned and is on the programme of work for 2015/16 Initial investigations of some national frameworks are not promising so it is likely that we will need to tender this. Market research also suggests that the contract be split into two discrete areas which would be more attractive to providers. We will also consider purchase vs lease or rent options for stair lifts
Service & Repair of Domestic Central Heating	£330,000/yr	✓		An on-going arrangement with the incumbent provider is being continued given the statutory duties on the Council to carry out the works. The service has not been tendered during 2014/15 as planned and is on the programme of work for 2015/16 As a service contract, this will trigger the EU threshold and unless a framework is identified and deemed appropriate to use, this will be a significant piece of work which will be tendered using the National Housing Federation model contract. Considerable input will be required from the client side to develop a contract specification that meets their needs.
Electrical Rewiring	£650,000/yr	✓		It was originally intended we would consolidate two contracts – one for re-wiring and one for responsive repairs. During the commissioning phase of the contract for Responsive Repairs and Void Property Maintenance it was decided electrical repairs would be better included within that contract. The service has not been tendered as

				<p>planned in 2014/15 however an on-going arrangement with the incumbent provider is being continued given the statutory duties on the Council to carry out the works.</p> <p>The contract will be re-tendered during 2015/16. It is classified as a "Works" contract for the purposes of the Public Contract Regulations, and whilst below the threshold for EU, it is a significant piece of work which will be tendered using the National Housing Federation model contract.</p> <p>Considerable input will be required from the client side to develop a contract specification that meets their needs.</p>
Small Engineering Works (Civil Engineering)	£120,000/yr	✓	✓	This contract has not been tendered during 2014/15 as planned and is on the programme of work for 2015/16. In the meantime, quotations are being obtained for works as necessary to comply with Contracts Procedure Rules.
Asbestos Surveys	£80,000	✓		An on-going arrangement with the incumbent provider is being continued given the statutory duties on the Council to carry out the works. The service has not been tendered in 2014/15 as planned and is on the programme of work for 2015/16. Removal works carried out as part of capital works do not have a separate budget so are difficult to predict, however it has been a significant area of expenditure.
Asbestos Removal	Not known	✓		
Housing Developments/ Redevelopment of Sheltered Schemes – Professional Services	Not known	✓		<p>Consideration was given to aggregating these requirement and tendering in accordance with EU Regulations, however as each development is unique, it was felt that there were benefits to appointing to each project on a stand-alone basis to ensure the development reflected the environment in which it is based.</p> <p>Support and advice was provided to the Development Manager to obtain quotations and make the appointments of each professional.</p>
Housing Redevelopment of Sheltered Scheme – Main Contractor for Reynolds Court	£6.5m	✓		Following the granting of planning permission in February 2015, the tender process has commenced with the release of an OJEU Notice and issuing of invitations to participate. Completed applications were received by the deadline of 23 April 2015
Maintenance of Commercial Heating	£44,500/yr.			A contractor has been appointed to provide this service for a 12 month

Plant & Equipment		✓		period. This addresses concerns that the previous contractor had not been performing. It is recommended that this contract be re-tendered in 2015/16
IT Software - Choice Based Lettings for Housing	£23,000/yr. for each partner	✓		Chelmsford City Council is leading on this re-procurement (a joint initiative with the Hertfordshire & Essex Housing Options Consortium comprising Uttlesford, Chelmsford, Epping, Broxbourne, East Herts and Brentwood). The Procurement Manager is providing advice and guidance to the Housing Department as required.
Housing Redevelopment of Sheltered Scheme – Main Contractor for Hatherley Court	£1.6m	✓		A domestic tender for the appointment of a main contractor working with either the Architects or Employers Agents as well as the Client
External Wall Insulation (under Energy Efficiency Improvement Schemes)	£380,000	✓		A domestic tender to supply and install external wall insulation to approximately 60 domestic properties
Window Replacement Programme	Not known	✓		The current contract ends on 31 March 2016. The strategy for any successor contract is yet to be decided.
Photocopiers in Reprographics	£24,000/yr.		✓	Considering options to extend current contracts to provide a co-terminus expiry date with corporate MFD's
MFD's	£22,050/yr.		✓	Utilise National frameworks to carry out further competition
Commissioning for the re-tender of Electricity Supplies	£164,000/yr.	✓	✓	Considering options for tendering of successor contracts. Anticipate continuing in collaboration with LASER, however need to agree our approach (potential for fixed price contracts vs variable pricing)
Commissioning for the re-tender of Gas Supplies	£160,000/yr.	✓	✓	Considering options for tendering of successor contracts. Anticipate continuing in collaboration with LASER, however need to agree our approach (potential for fixed price contracts vs variable pricing)
Photovoltaic Panels on Workshop and Museum Store			✓	Initial scoping suggests there may be an opportunity to tender this in collaboration with Braintree District Council
Vehicle Replacement Programme	£847,000	✓	✓	Initial scoping suggests these may be purchased through a national framework arrangement, but there will be a requirement for further competition
Catons Lane Car Park	£155,000	✓		Initial scoping suggests either a domestic tender or a specific call-off under the Civil Engineering contract if in place beforehand, although the value of this contract is more than the annual value of the Civil Engineering contract. A Member decision is required to consider the future of this project.

New Depot at Great Dunmow	£1.5m		✓	Initial scoping suggests a domestic tender for the construction once suitable land has been acquired. Tender for the appointment of an agent to act on our behalf in locating a suitable site is currently being let.
Managed Telecoms	Not known		✓	The current contract for managed telecoms ends on 31 December 2015. Initial scoping suggests a call for further competition under the Crown Commercial Services framework. This is currently being re-procured so further information is not yet available
Treasury / Investment Advice	Not known		✓	The current contract ends on 31 December 2015. The strategy for any successor contract is yet to be decided
Mailing / Franking Machine	Not known		✓	The current contract ends on 5 April 2016. The strategy for any successor contract is yet to be decided