

# Collaborative Procurement Service Annual Report 2021/2022

## Staffing

2021/22 saw a number of staffing and recruitment challenges for the Collaborative Procurement Service, with one Procurement Business Partner going on maternity leave in December 2021 and another Procurement Business Partner on long term sick from December 2021 to date.

Unfortunately, during 2021/22 the service was unable to recruit to the Managers post which has been vacant since Oct 2020. However, the service did recruit for a Team Leader Post and were able to appoint an existing member of the service to this post, as well as recruiting a replacement System's Officer and Data Analyst externally.

The Collaborative Procurement Service is currently made up of:

- 1 x FT Team Leader Post
- 4 x FT Procurement Business Partner
- 1 x 0.8 Procurement Business Partner
- 1 x FT Procurement Officer
- 1 x FT Systems Officer & Data Analyst

## Commissioning Forms, Exceptions Report and Contract Variation/Extension Reports

During 2021/22 the CPS received the following number of Commissioning Forms, Exceptions Report and Contract Variation/Extension Reports

	<b>Commissioning Forms</b>	<b>Exceptions Reports</b>	<b>Contract Variation/ Extension Report</b>
<b>DCC</b>	120	43	33
<b>FCC</b>	58	38	27

Following concerns raised by the former CPS Manager with regards to the volume of Exception Reports and Contract Variation/Extension Reports being received, in July 2021 DCC Internal Audit undertook an Audit of Exception Reports and Contract Variation/Extension Reports received by the Collaborative Procurement Service from DCC Service areas. This DCC Internal Audit was given a low assurance and an Action Plan put in place (see attached Audit Report).

Unfortunately, many of the Exceptions and Contract Variations/Extension are due to poor contract management which is devolved to service areas and a DCC Internal Audit Report into Contract Management within DCC also received a low assurance.

A Report was presented to DCC SLT highlighting the weakness identified with contract management and non-compliance with CPRs with a view to DCC SLT reviewing arrangements in their own services.

The CPS are fully committed to working with service areas to address the actions allocated to them within the DCC Exceptions and Contract Variations/Extension Action Plan as well as the DCC Contract Management Action Plan.

Procurement Business Partners regularly attend DMT's with Procurement Progress reports, including a list of those contracts which we currently have a record of on Proactis Contract Management, and the BP's are actively encouraging service areas to work with them to ensure timely planning of procurements and raising awareness of the CPR's.

The CPS is also actively working with the Business Support Team in BIM in respect of Contract Management to address actions within the Internal Audit Report.

### **Awarded Contracts**

During 2021/22 the CPS supported service areas to compliantly award 82 DCC Contracts and 45 FCC Contracts. This does not include the contracts awarded for school transport, all of which FCC & DCC Transport Department Award themselves following further competition from their Dynamic Purchasing System (DPS), which the CPS helped both Transport departments establish in 2017/18.

The total value of the DCC contracts awarded during 21/22 was £22,670,609 and total value of the FCC Contracts awarded was £10,476,189.

Potential savings at contract award (difference between the initial estimated contract value and the final award) was £1,294,947 for DCC and £520,835 for FCC.

Of the 82 DCC Contracts awarded 57% (47 Contracts) included Community Benefits and of the 45 FCC Contracts 73% (33 Contracts) included Social Value. This is a great improvement on 20/21 when only 12% of DCC contracts awarded included Community Benefits and only 25% of FCC Contracts awarded included Community Benefits.

### **Community Benefits & Social Value**

The CPS continue to work closely with DCC's Community Benefits Hub and FCC's Social Value Development Officer to ensure full consideration is given to Community Benefits/Social Value at point of tender, and that these commitments become contractual requirements that the successful supplier must deliver against.

The impact of DCC having a Community Benefits Policy and Community Benefits Hub, and FCC having a Social Value Policy and Social Value Development Officer is that DCC has seen a 45% increase from 20/21 to 21/22 in the number of contracts including Community Benefits, and FCC has seen a 48% increase from 20/21 to 21/22 in the number of contracts including Social Value.

The Community Benefits/Social Value Commitments included in contracts are recorded and monitored by the Community Benefits Hub and the Social Value Development Officer.

## **Local Spend**

During 2021/22, 36% of DCC spend was with suppliers with an invoice address within Denbighshire, within Flintshire it was 25%. This does not include spend which may have been with a supplier with an invoice address outside of Denbighshire/Flintshire but whom have a local outlet's that we use i.e. Jewson's and Travis Perkins.

As per Contract Procedure Rules all tender for Goods & Services above £25k and all those for works above £250k must be openly advertised on Sell2Wales and be available for all suppliers to bid and those above the OJEU Threshold must be openly advertised throughout the UK.

We are not able to ring fence contacts for local suppliers but we always aim to make the process as uncomplicated as we possibly can within the rules set out in DCC/FCC CPR's and Public Contract Regulations 2015, so as to ensure we do not disadvantage our local SME's. We also sign post local SME's to organisations such as Business Wales who offer training and support to businesses in respect of bid writing.

## **Collaboration**

During 21/22 there were only 2 collaborative procurements between DCC & FCC undertaken.

95% of the procurements undertaken in 2021/22 did not lend themselves to collaboration and where very specific to either DCC or FCC e.g. maintenance works in specific DCC/FCC schools.

Those which did lend themselves to collaboration but did not progress collaboratively where all due to either the requirements of the two LA's not aligning or timing and the alignment of existing contracts.

The CPS continue to work tirelessly to promote, encourage and facilitate collaboration and as of end of March 2021 there were 4 actual collaborative procurements underway and another 12 identified as potential collaborations going into 2022/23.

During 2021/22 the CPS has worked collaboratively with colleagues in Flintshire to support and facilitate the introduction of their FastTrack early payment scheme into the tendering process.

The CPS has also worked collaboratively with the Climate Change Team in both DCC and FCC in respect of Carbon Reduction within the supply chain and to support both LA's to achieve their ambitious NetZero target by 2030. This will continue to be a strong focus for the CPS going forward into 2022/23 and beyond.

## Future Challenges and Opportunities

- New Contract Procedure Rules and Social Partnership Bill
  - Timescales for the introduction of the new PCR's is beginning of 2024 and SP Bill will align. WG are as off Oct 2022 starting to run workshops and events for procurement professionals on the new PCR's & SP Bill.
  - In turn the Collaborative Procurement Service will also need to present workshops to service area's throughout both DCC & FCC to make them aware of changes to PCR's and the SP Bill and how this impacts on them directly.
  - It will be a huge challenge for the Collaborative Procurement Team to be able to manage all these changes, roll them out across and service areas whilst also still familiarising ourselves with the changes, particularly with no strategic lead within the service at present and being stretched to capacity operationally.
  - The new PCR's bring a host of new Transparency rules and as a service we will be required to publish 100's more procurement notices each year than we currently publish and will also have to publish a procurement pipeline and a contract register, this will be a huge administrative burden on the Collaborative procurement service.
  - The new PCR's together with the SP Bill will hopefully allow more freedom to tailor procurement requirements to meet the specific needs of each LA in terms of meeting corporate plans/objectives.
- Decarbonisation through procurement
  - A key area of focus for procurement but little resource within the current team to be able to focus on it and therefore seeking to recruit and appoint a Procurement BP to focus specifically on this area.
  - Now mandatory for all procurements of £5M to request suppliers to submit a carbon reduction plan but there is much work to be done in terms of tailored quality questions for tenders regarding carbon reduction and also engaging with suppliers to ensure they are able to meet our requirements in terms of Carbon Reductions. WLGA and WG currently looking at Procurement toolkits and training for procurement professionals to support with this area. FCC have a working group focused on procurement and decarbonisation, which is one of many working groups focusing on the various areas of the FCC Carbon Reduction Strategy. Procurement and DCC Climate Change Team are in regular contact and have a set of actions to work towards – however once again capacity within the team is currently preventing the required action being progressed.
- Launch of new Procurement Strategy
- Revision of Contract Procedure Rules – LISA
- Potential restructure of CPS to align with NW Construction Framework and Community Benefits Hub, reinforcing the existing links between these teams and strengthening resource capacity.