

Procurement update

August 2021

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King's Lynn &
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The Council's Procurement Strategy was adopted by Cabinet in April 2018 and covered the period up to 2020/21.

Changes in Council and government priorities, the impact of Covid19, departure from the EU, and likely future changes in Public Contract Regulations mean that we now need to develop a new strategy for the period 2021/22 – 2024/25.



Existing strategy

The intention was for the Council to align this Strategy with the Local Government Association (LGA) National Procurement Strategy (NPS) – 2014. The main headings are:

- Making Savings
- Supporting the Local Economy
- Demonstrating Leadership
- Modernisation



Corporate Priorities

The 2018 strategy identified the following areas where it supported corporate priorities:

2018 corporate priority	How procurement supports priority
Provide important local services within our available resources	Consider opportunities for additional income generation from procurement services
Drive local economic and housing growth	Having streamlined tendering processes that are not too complicated or time consuming for SMEs. Providing guidance to local businesses on how to submit tenders.
Celebrate our local heritage and culture	Provide guidance and support to client departments ensuring that they are procuring contracts to contribute to festivals, events or building improvements.
Work with our partners on important services for the Borough	Use Social Value criteria for larger tenders to require apprenticeship schemes to provide opportunities for young people.



Corporate Priorities

Within the 2020 corporate plan, procurement could support corporate priorities 1-3:

2020 corporate plan priorities	How Procurement can support
One - Focus on delivery	delivery of value for money services
Two - Delivering growth in the economy and with local housing	promote the borough as a vibrant place in which to live, to do business and as a leading visitor and cultural destination
Three - Protecting and enhancing the environment including tackling climate change	develop and implement the council's carbon reduction strategy and encourage our partners, communities and local businesses to reduce their environmental impact



One – Focus on delivery - Value for money services:

- Spend analysis
- Spend Classification
- Use of Public Buying Organisations / Frameworks
- Sharing Procurement Services / Expertise
- Contract / Supplier Relationship Management
- Risk Management
- Financial Controls and Procedures

Procurement service continues to deliver on Value for Money



Two – Delivering growth in the economy and with local housing

- Promote the borough as a vibrant place in which to live, to do business and as a leading visitor and cultural destination
- Market Engagement with Local Suppliers, SMEs & VCSEs - restricting contracts to local suppliers in support of the local economy
- Social Value - measure the monetary value of social value provided by contractors



Three – Protecting and enhancing the environment including tackling climate change

- Carbon reduction plans for major contracts >£5m:
 - *Environmental impact of contract*
 - *Use of buildings by staff engaged in contracts*
 - *Transportation of goods or people during contract*
 - *Natural resources used in contract*



Procurement activity – 2020/21

- Covid 19 – initial lull in 2020 followed by a surge in exemptions
- Advertised 21 tenders (£3.2m)
- 12 RFQ exercises (£230k)
- 8 contracts awarded for Boston Council (£4.2m)
- 2.4 FTE reduced to 1.8FTE, due to retirement
- Increasing requirement to provide contract management assistance for service managers



Procurement	Contract Management
market engagement	defining the specification
tendering	defining the contract terms
evaluation	<u>organise regular contract review meetings, monitor KPIs, produce agendas and minutes of meetings and follow-up action points</u>
negotiation	
contract award	
vendor rating	performance review



Government Procurement Green Paper –

- Reducing the number of Procedures to “Competitive Flexible”; “Open”; and “Limited”.
- Using MAT (Most Advantageous Tender), rather than MEAT – removing the emphasis on cost.
- Additional grounds for exclusion of bidders and a central barring list (black list of companies)
- More allowance for consideration of past performance
- Changes to frameworks – 2 types: - “Closed” max. 4 years and multi or single supplier; “Open” – up to 8 years but open to new members after 3 years
- Supplier performance data to be published. (More admin time required)



Breckland hosted service proposal

Potential for a shared system that aggregates requirements and systems, and aligns policies and procedures, across districts

Benefit of a procurement manager to oversee this activity, with respective districts retaining their own procurement and contract management resources.

The shared arrangements to include formal arrangements for sharing resources with the partner districts as and when required and when future vacancies arise to consider joint appointments. This retains local knowledge and agility whilst providing career progression and staff retention.

Unclear that this would actually result in an improved service or better value for money



Summary of issues for procurement strategy

- Procurement Strategy can support goals 1-3 of the 2020 Corporate plan
- Value (£M) of procurement activity unchanged, however fewer staff doing more work with additional contract management demands, with pipeline of funded projects (e.g. Towns Fund, Levelling Up, CRF, Shared Prosperity) likely to increase demand for procurement
- Changes due to Brexit and forthcoming Green Paper leading to increased workload – e.g. stakeholder engagement & accountability
- Hosted service with adjoining authorities could have some benefits

