

Leicester  
City Council

**CABINET  
PERFORMANCE & VALUE FOR MONEY SELECT COMMITTEE**

**29 MARCH 2010  
14 APRIL 2010**

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**PROCUREMENT PLAN MONITORING REPORT 2009/2010  
APPENDIX 1 - A QUICK PROGRESS INDICATOR**

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**Report of the Chief Finance Officer**

**1 PURPOSE OF THE REPORT**

- 1.1 On 30 March 2009, Cabinet approved the Procurement Plan for 2009/2010.
- 1.2 Monitoring of the activities of the Procurement Plan is the responsibility of the Performance & Value for Money Select Committee.
- 1.3 This is the first such Report, monitoring procurement activity proposed in the 2009/2010 Plan.
- 1.4 Where progress has not been made in accordance with the original Plan, this is noted along with a brief explanation.

**2 REPORT**

**2.1 Progress of the Activities**

2.1.1 Cabinet at their meeting of 30 March 2009 approved a forward plan of procurement activities for which the value exceeded the EU threshold for the 2009/2010 financial year.

2.1.2 The table of projects where progress has slipped is at Appendix 1.

**2.2 Summary of Procurement Activity**

2.2.1 To date contracts featuring on this plan in the sum of £47 million have been awarded.

2.2.2 With nearly two thirds of the original programme already completed, progress is generally good. A shortage of resources in Housing has caused the slippage in their portfolio, but the overarching position is that progress on the significant contracts is good.

2.2.3 The Council has over the past few years made use of Framework Contracts, some examples in this report are:

- (a) The Highways Term Maintenance Contract with 4 Schedules.
- (b) Property Services, Consultancy Contracts.
- (c) Property Services, site investigations and demolition contracts.

The common feature of all these is that the award is to several suppliers spreading the work and any associated risk. It can enable Small and Medium Enterprises (SMEs) to bid as the value of the individual Lots is obviously smaller than the entire contract. This is seen to be an increasingly useful tool when attempting to reduce the effect of the current economic downturn on SMEs. A secondary advantage of using Framework contracts is that, once let, call-off arrangements are simpler and quicker than any formal tendering process thereby cutting down response times and saving suppliers from continually having to submit full tender packs.

2.2.4 One very significant development will be the adoption by Central Government of a Remedies Directive giving aggrieved parties a clear mechanism by which to challenge any contract award made by a Contracting Authority. This Directive has been on the statute books since 20 December 2009. The Amendment Regulations 2009 concerns what happens when a procurement process is challenged on the grounds that the EU Rules have not been correctly followed and introduces three main areas of change:

- (a) Introduction of “ineffectiveness” as a remedy for serious breaches of EU rules.
- (b) Unsuccessful bidders’ rights to information.
- (c) Clarification of standstill period arrangements.

Where a contract is found to be ineffective, the penalties available will be:

- (i) Prospective cancellation.
- (ii) Contract shortening.
- (iii) Fines.

2.3 Progress has been rated into red, amber and green. Slippage is regarded as amber, no progress or very little progress is rated as red.

2.3.1 73 exercises were green.

2.3.2 26 exercises were amber.

2.3.3 15 exercises were red.

2.4 The Appendix identifies the red and amber rated procurement analysis.

### 3 RECOMMENDATIONS

- 3.1 Members are recommended to note the review of progress reported, as detailed in the report and supporting Appendix, and make any comments or observations they wish.

### 4 FINANCIAL AND LEGAL IMPLICATIONS

#### 4.1 Financial Implications

All the procurement activities in Appendix 1, already feature in either revenue or capital budgets and associated strategies.

*Steve Charlesworth, Head of Financial Strategy & Development  
Resources Department Extn 29 7495*

#### 4.2 Legal Implications

As all the procurement activities listed in the Appendix are above the EU public procurement thresholds, as well as compliance with the Council's Contract Procedure Rules, officers must comply with the Public Contracts Regulations 2006 and be mindful of the significant legal development in relation to these Regulations in relation to remedies as described in paragraph 2.2.4. The remedies also give automatic suspension (injunction) to any contract award if an aggrieved party issues proceedings at Court pending resolution of any claim by the Court.

*Beena Adatia, Senior Solicitor/Team Leader  
Resources Department Extn 29 6378*

### 5 CONSULTATION

- 5.1 Lead Officers responsible for procurement have been consulted in the preparation of this Report and have supplied the explanations for any changes from the original Plan.

### 6 OTHER IMPLICATIONS

Other Implications	Yes/No	Paragraph References within this Report
Equal Opportunities	See comment	<b>These will be project specific and dealt with as part of the individual Project Plans.</b>
Policy	See comment	
Sustainable and Environmental	See comment	
Crime and Disorder	See comment	
Human Rights Act	See comment	

Other Implications	Yes/No	Paragraph References within this Report
Elderly Persons/People on Low Incomes	See comment	

## 7 BACKGROUND PAPERS

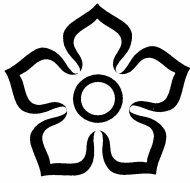
Creation of the 2008/2009 Procurement Plan, Cabinet Report – 14 July 2008.

## 8 REPORT AUTHOR/OFFICER TO CONTACT

Geoff Organ  
Head of Corporate Procurement, Support & Income  
Financial Services Division

Extn 29 6014

<b>Key Decision</b>	No
<b>Reason</b>	N/A
<b>Appeared in Forward Plan</b>	N/A
<b>Executive or Council Decision</b>	Executive (Cabinet)



**LEICESTER CITY COUNCIL PROCUREMENT PLAN 2009/2010  
FINANCIAL YEAR APRIL 2009 TO MARCH 2010**

**PORTFOLIO – HOUSING**

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<b>2</b>	
Division:	Technical Services
Section:	Design Services
Name of Contract:	<b>Supply Waste Vegetable Oil (WVO)</b>
Value:	£250,000
Status:	<b>Amber</b> Exercise delayed due to CHP initiative.

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<b>4</b>	
Division:	Housing Design
Section:	Technical Services
Name of Contract:	<b>Supply &amp; installation of Loft Insulation</b>
Value:	£1,000,000
Status:	<b>Amber</b> According to original Plan, this should have been awarded in October 2009. OJEU now cancelled and new OJEU to be placed due to CERT funding arrangements-Framework contract required.

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<b>5</b>	
Division:	Housing Design
Section:	Technical Services
Name of Contract:	<b>Electromechanical &amp; Water Plant (maintenance of plant and equipment)</b>
Value:	£1,000,000
Status:	<b>Amber</b> According to original Plan, this should have been awarded in September 2009. Amendment placed on 25.9.9 for new tender date. Delays due to shortage of resources. Anticipated tender release February 2010.

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<b>6</b>	
Division:	Housing Design
Section:	Technical Services
Name of Contract:	<b>Emergency Lighting &amp; fire Alarms (maintenance) to sheltered accommodations to properties citywide Citywide</b>
Value:	£400,000
Status:	<b>Amber</b> According to original Plan, this should have been awarded in October 2009. Amendment placed in 25.9.9 for new tender date. Delays due to shortage of resources. Anticipated tender release February 2010.

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<b>7</b>	Division:	Housing Design
	Section:	Technical Services
	Name of Contract:	<b>Replacement of cold water mains – St. Matthews</b>
	Value:	£500,000
	Status:	<b>Amber</b> According to original Plan, this should have been awarded in October 2009. Amendment placed in 25.9.9 for new tender date. Delays due to shortage of resources. Anticipated tender release February 2010.
<b>8</b>	Division:	Housing Design
	Section:	Technical Services
	Name of Contract:	<b>Legionella water +aircon+ inspection</b>
	Value:	£600,000
	Status :	<b>Amber</b> According to original Plan, this should have been awarded in October 2009. Amendment placed in 25.9.9 for new tender date. Delays due to shortage of resources. Anticipated tender release February 2010.
<b>15</b>	Division:	Technical Services
	Section:	Design Services
	Name of Contract:	<b>BEMs- Building Energy Management Systems</b>
	Value:	£240,000
	Status:	<b>Amber</b> According to original Plan, this should have been awarded in October 2009 but the procurement has not commenced. On hold due to the CHP initiative.
<b>16</b>	Division:	Housing Design
	Section:	Technical Services
	Name of Contract:	<b>Mobile Working- Advance Scheduling</b>
	Value:	£2,230,000
	Status:	<b>Amber</b> According to original Plan, this should have been awarded in December 2009 but evaluation still ongoing, using the competitive dialogue.

# PORTFOLIO – ADULTS AND OLDER PEOPLE

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**1**

Division: Housing Design  
Section: Technical Services & Leicester Care.  
Name of Contract: **Assistive technology & Telecare Services**  
Value: £540,000  
Status: **Amber**  
According to original Plan, this should have been awarded in December 2009 but evaluation still ongoing.

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**14**

Division: Strategy, Commissioning, Performance & Business Support  
Section: Service Contracting & Procurement Unit  
Name of Contract: **Services for Deaf & Hard of Hearing People**  
Value: £453,000  
Status: **Amber**  
Further work with partner organisations is continuing to develop the specification.

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# PORTFOLIO – HEALTH AND COMMUNITY SAFETY



# PORTFOLIO – ENVIRONMENT

# PORTFOLIO – CHILDREN AND SCHOOLS

<b>4</b>	Division: Social Care and Safeguarding Section: Specialist Family Support Name of Contract: <b>Family Support Services</b> Value: £230,000 Status: <b>Red</b> The Replacement contract is planned to commence in April 2010 but no evidence of market engagement to date.
<b>9</b>	Division: Transforming the Learning Environment Section: Planning and Property Name of Contract: <b>CYPS Management System for Property and Pupil Place Planning</b> Value: £192,000 Status: <b>Amber</b> According to original Plan, this should have been awarded in October 2009 but evaluation still ongoing.
<b>11</b>	Division: Strategic Planning Commissioning and Performance Section: Information and E Services Name of Contract: <b>EDDIS Capita Simms Contract</b> Value: £680,000 Status: <b>Amber</b> According to original Plan, this should have been commenced during the summer term 2009 but evaluation still ongoing. The procurement was delayed to ensure it is brought in line with the Universal Children's data system contract, into which the School's system SIMs need to feed.
<b>13</b>	Division: Property Services Section: Projects – Building Maintenance Name of Contract: <b>Mobile Buildings including Classrooms</b> Value: £4,000,000 Status: <b>Red</b> This contract is planned to commence in January 2010 but no evidence of market engagement.
<b>16</b>	Division: Property Services on behalf of CYPS Section: Projects – Project Management Name of Contract: <b>Final Year Extension to Classroom Replacement Programme Framework with Mansell Ltd (Extension granted December 2008)</b> Value: £4,000,000 Status: <b>Amber</b> This is late by a couple of months but may be awarded using the East Midlands Property Alliance Intermediate Framework Contract which will enable work to start in July 2010.

# PORTFOLIO – REGENERATION AND TRANSPORT

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<b>5</b>	Division: Regeneration, Highways & Transportation Section: Transport Systems Name of Contract: <b>CCTV – Provision of Monitoring services (City Centre Security)</b> Value: £500,000 Status: <b>Red</b>	<p>The original contract has expired and no evidence of any market activity. It is still intended to market this in 2010. We held progress meetings with the Division's Procurement specialist in early January 2010 and by 10 February, we expected to have agreed a formal work to plan.</p>
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<b>6</b>	Division: R&C Section: Environmental Services Name of Contract: <b>Supply and support of Uniform Gateway Software (review of existing contract arrangements)</b> Value: £152,000 Status: <b>Amber</b>	<p>The original contract expired in March 2009 and there is no evidence of any market activity. The licences and maintenance were renewed until 31 March 2010, we are in discussions with the supplier in readiness for the new contract period.</p>
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<b>7</b>	Division: Regeneration, Highways & Transportation Section: Transport Systems Section Name of Contract: <b>All services and support for Urban Traffic Control System and Traffic Signals installations (possibly multiple contracts)</b> Value: £460,000 Status: <b>Red</b>	<p>The original contract has expired in summer 2009 and there is no evidence of any market activity, although contract documents are being prepared. It is intended to market this in the new year and we have asked the Division's Procurement specialist to progress it.</p>

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## PORTFOLIO – CULTURE AND LEISURE

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<b>4</b>	Division:	Culture
	Section:	Arts & Museums
	Name of Contract:	<b>Replacement City Gallery</b>
	Value:	£1,200,000
	Status:	<b>Amber</b>
		Further work ongoing to satisfy planning requirement.

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<b>5</b>	Division:	Culture
	Section:	Arts & Museums
	Name of Contract:	<b>Prehistorica Display Cases</b>
	Value:	£120,000
	Status:	<b>Amber</b>
		According to original Plan, this should have been awarded in June 2009. This should be out to tender first week of Jan 2010 and orders placed by end of February 2010

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<b>8</b>	Division:	R&C Contract
	Section:	Culture
	Name of Contract:	<b>De Montfort Hall Box Office</b>
	Value:	£200,000
	Status:	<b>Amber</b>
		According to original Plan, this should have been awarded in August 2009, however, no compliant tenders were received during the initial procurement. A further successful tendering exercise has taken place with completion due in late February 2010.

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# PORTFOLIO – STRATEGY, FINANCE, PROPERTY AND COMMUNICATIONS

<b>2</b>	Division: Planning & Policy Section: Regeneration Policy and Programmes Name of Contract: <b>Supply Chain Mapping</b> Value: £196,000 Status: <b>Amber</b> Delayed, waiting for ERDF funding contracts only received in November 2009.
<b>4</b>	Division: Property Services Section: Projects – Building Maintenance Name of Contract: <b>Reactive Works / Improvements up to £50k (NSR Replacements)</b> Value: £12,000,000 Status: <b>Amber</b> No activity yet contract is planned to be awarded by May 2010.
<b>6</b>	Division: Property Services Section: Projects – Engineering Services Name of Contract: <b>Annual Engineering Service Contract – Fire Alarms</b> Value: £1,320,000 Status: <b>Amber</b> Original Plan anticipated this contract commencing in July 2009, not yet awarded.
<b>8</b>	Division: Property Services Section: Projects – Engineering Services Name of Contract: <b>Annual Engineering Service Contract – Cremators</b> Value: £230,000 Status: <b>Amber</b> Original Plan anticipated this contract commencing in August 2009, not yet awarded.
<b>9</b>	Division: Property Services Section: Projects – Engineering Services Name of Contract: <b>Electricity at Work Fixed Equipment Testing</b> Value: £960,000 Status: <b>Amber</b> Original Plan anticipated this contract commencing in September 2009, not yet awarded.
<b>10</b>	Division: Property Services Section: Property Systems Name of Contract: <b>Replacement for PAMIS</b> Value: £100,000 Status: <b>Amber</b> Original Plan was to have a new contract in place in May 2010, options still under discussion. The original Plan was to have a new contract in place by May 2010, options still under discussion. Outcome likely to be influenced by TLE CYPS Management System for Property and Pupil Place Planning.

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**13**

Division: Democratic Services  
Section: Creativity Works  
Name of Contract: **Printing Services**  
Value: £3,000,000  
Status: **Amber**  
Final stages of this procurement are under way although later than planned.

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**18**

Division: **Financial Services**  
Section: Revenues and Benefits  
Name of Contract: **Off site telephone support. Additional call taking capacity during peak periods such as billing periods**  
Value: £520,000  
Status: **Amber**  
According to original Plan, this should have been awarded in August 2009 but evaluation still ongoing.

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# PORTFOLIO – FRONTLINE SERVICES

<b>2</b>	<p>Division: Information Services          Section: Technology Services          Name of Contract: <b>WAN Maintenance</b>          Value: £320,000          Status: <b>Amber</b></p> <p>Old contract extended until March 2010, to allow further analysis of options. The contract contains a further one year option to extend the service to cover the period 1 April 2010 to 31 March 2011. Information Services are now awaiting contract rates from the supplier to cover this period.</p>
<b>3</b>	<p>Division: Information Services          Section: Technology Services          Name of Contract: <b>Corporate Voice and Data Network contract (New procurement) to include:</b></p> <p><b>Broadband (WAN Maintenance), Telephony, Centrex. Mobile phones optional. (New procurement)</b>          Value: £7,000,000          Status: <b>Amber</b></p> <p>Existing contract expires in March 2010, no information on market engagement. For WAN Maintenance see item 2 above. Mobile phones are currently being sourced through the relevant OGC framework. Existing rolling contracts for the other services continue. A telephony review is scheduled for 2012 which will include Broadband, Network Maintenance Telephony and Centrex. Information Services will continue to use relevant existing contracts until that time.</p>
<b>11</b>	<p>Division: Information Services          Section: Information Management          Name of Contract: <b>Customer Data Integration</b>          Value: £500,000          Status: <b>Amber</b></p> <p>This is a new requirement and funding has still to be identified.</p> <p>The Customer Data Integration projects consists of two main projects which are:</p> <p>Data Matching Software – Value £200,000          Enterprise Reporting Software – Value - £200,000</p> <p>The Customer Data Integration business case and funding have been approved by the OD&amp;I Board and final approval will be sought from Cabinet on 8<sup>th</sup> March 2010. Subject to final approval the Data Matching Software procurement should start in April 2010 with the Enterprise Reporting procurement starting in February 2011.</p>

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<b>12</b>	
Division:	Information Services
Section:	Information Management
Name of Contract:	<b>Scanning requirements for EDRMS</b>
Value:	£300,000
Status:	
	This has been cancelled.

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<b>15</b>	
Division:	Information Services
Section:	Business Services
Name of Contract:	<b>ESPO Contract 936 – Software Support (Mini competition against new ESPO framework)</b>
Value:	£500,000
Status:	
	The decision to run mini-competition has changed and our requirements will be sourced from ESPO Contract 936.

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<b>16</b>	
Division:	Information Services
Section:	Customer Services
Name of Contract:	<b>Maintenance of Corporate Automatic Call Distribution System</b>
Value:	£160,000
Status:	
	Current arrangements will be extended until the formal telephone review in 2012.

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# PORTFOLIO –COMMUNITY COHESION AND HUMAN RESOURCES

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<b>3</b>	
Division:	Human Resources
Section:	Pay & Workforce Strategy
Name of Contract:	<b>Occupational Health</b>
Value:	£480,000
Status:	<b>Amber</b> Intended as a joint procurement with County Council. Due to delays in procurement process, both organisations are considering a short extension. Procurement documents are being rewritten and a market engagement/consultation exercise has already taken place. Consideration is also being given to a joint procurement exercise with Borough and District Councils.

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