

Executive Decision Report

CORPORATE PROCUREMENT PLAN 2013/14

Decision to be taken by: **City Mayor**
Decision to be taken on: **3 April 2013**
Lead director: **Alison Greenhill**



City Mayor

Useful information

- Ward(s) affected: **All**
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- Report version number: **002**
- Date of report: 3rd March 2013

1. Summary

- 1.1 The purpose of this report is to obtain approval to the 2013/14 Corporate Procurement Plan and to inform the City Mayor and Executive of the proposed up and coming major procurement activity across the Council.
- 1.2 A decision is sought on the thresholds for inclusion in the 2013/14 Plan, which will be brought to the Executive for approval in March.

2. Recommendations

- 2.1 The Executive is recommended to:
 - i) Approve the attached Corporate Procurement Plan and delegate the letting of contracts to Divisional Directors subject to consultation with Assistant City Mayors where appropriate;
 - ii) Approve the thresholds for inclusion in the 2013/14 Procurement Plan.

3. Supporting information

- 3.1 The Corporate Procurement Plan serves two principal purposes:
 - a) To inform potential suppliers of major future market activity, including meeting the statutory requirement to publish planned procurement over the EU thresholds; and
 - b) To provide the Executive and other readers with an overview of significant procurement activity and to enable links and efficiencies to be achieved.
- 3.2 The Plan is based on information from Directors and from reviewing the database of existing contracts approaching expiry. Entry on the Plan does not guarantee that procurement will happen and the actual costs may vary from the estimates.
- 3.3 Timely processing and approval of the plan ensures better procurement planning and allows the market to consider upcoming opportunities, in line with the transparency agenda.

- 3.4 The scope of the Plan can be affected by major reviews across the Council, leading to the extension of existing contracts and uncertainty for including future procurements, with less procurement activity than might usually be expected. It will also be noted that the contract term and values are still to be determined for some procurements, whilst review work takes place.
- 3.5 The Plan does not specifically include major projects in the capital programme, most notably construction and improvement schemes within the Property Division. The procurements for such schemes are expected to use existing contractual arrangements or specific construction tenders sought in line with the capital programme approval.
- 3.6 If the Strategic Review of procurement proceeds and procurement activity is brought together within the central team under a category management approach, the robustness of the Procurement Plan and the Contracts Database will improve. They will be used by the team to achieve both a better strategic approach to procurement planning (including delivering the outcomes in the Local Procurement Task Force Delivery Plan) and improved operational monitoring and review. This will be further enhanced with the introduction of an e-Procurement system.
- 3.7 The Plan will be reviewed regularly, with progress and any additions to be reported to the Executive and the Overview Select Committee.
- 3.8 The Plan sets out planned procurements exceeding a defined threshold where a competitive procurement process is expected to start during 2013/14, including where frameworks are used (ESPO, EMPA, GPS etc.). However, the £50k threshold for inclusion used in the 2012/13 Plan is no longer a recognised threshold in the new Contract Procedure Rules and therefore the Executive is asked to consider a new threshold.

Options

- i) Reduce the existing threshold from £50k to £30k – this would enable more potential work to be signposted in advance of the actual procurement exercise. This would benefit smaller suppliers in particular, but may be unwieldy for the Executive and is likely to result in more new and unforeseen procurements requiring formal approval in-year before proceeding.
- ii) Increase the threshold to £70k line with the new CPRs for large contracts (previously £50k) – this would reduce the number of procurements needing approval but would be less transparent than at present and would reduce the advance information available to suppliers.
- iii) Reduce the threshold for inclusion to £30k but increase the level of Executive in-year approval to £70k – this would identify more procurements in advance for suppliers and for the central Procurement team to turn into open opportunities, whilst reducing the approvals required by the Executive once the initial plan has been agreed. The Head of Procurement would have authority to add procurements between

£30k and £70k as they arose and would report them in the periodic updates. The Head of Procurement would also monitor and challenge whether they should have been known at the time the plan was prepared or last updated.

iv) Retain the £50k threshold as at present.

3.9 It is recommended that the third Option be approved, as this strikes a balance between increasing the visibility of planned procurements whilst retaining operational flexibility.

4. Details of Scrutiny

4.1 The procurement plan will be considered by the Overview Select Committee at its meeting on the 18th April 2013 and receive monitoring reports throughout the financial year.

5. Financial, legal and other implications

5.1 Financial implications

5.1.1 Inclusion of contracting activity on the attached Plan is a statement of intent and is subject to the necessary funding being available. The Plan provides a basis for challenge and a more strategic approach to achieving value for money through major procurement activity.

Colin Sharpe
Head of Finance, City Development and Neighbourhoods
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5.2 Legal implications

5.2.1 Each procurement will need to follow due process in accordance with internal and legislative requirements, with advice from the Corporate Procurement Team and Legal Services.

5.3 Climate Change and Carbon Reduction implications

5.3.1 There are no significant climate change implications arising directly from this report.

5.4 Equality Impact Assessment

5.4.1 These will be considered a part of each procurement process, as appropriate.

5.5 Other Implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

5.5.1 Procurement can (and should) be used to drive wider social value.

6. Background information and other papers:

6.1 None.

7. Summary of appendices:

7.1 Appendix 1– Corporate Procurement Plan 2013/14.

8. Is this a private report (If so, please indicated the reasons and state why it is not in the public interest to be dealt with publicly)?

8.1 No.

9. Is this a “key decision”?

9.1 Yes.