

LBTH PROCUREMENT OVERVIEW

Zamil Ahmed
Head of Procurement

January 2015

The Legislative Framework

EC Treaty Recital 9



EU Consolidated Directive (2004/18/EC)



Public Contract Regulations 2006



LBTH Financial Regulations & Procurement
Procedures

The EU Procurement Directives are the over-arching framework which dictate the way in which public bodies have to carry out their procurement activities for contracts over the relevant thresholds for local authorities.

We have a legal requirement to comply with these Directives

The National Context

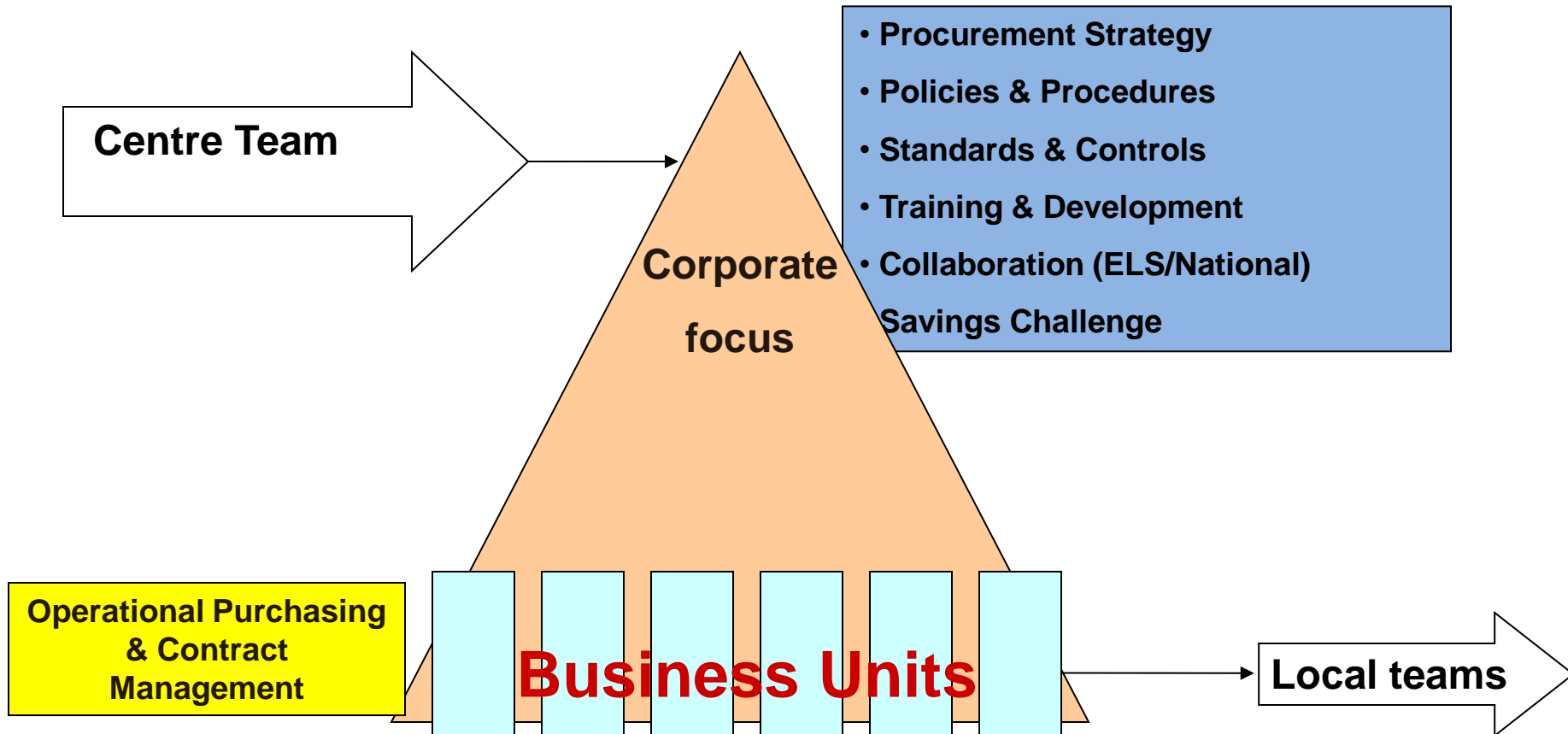
- National Procurement Strategy
- Local Government Transparency Code
- Community Right to Challenge
- Social Value Act
- Lord Young's report
- Transforming Government Procurement
- Collaboration / Shared Services
- Voluntary Sector
- SMEs & Local Businesses

Procurement Policy Imperatives: 7 Key Principles

1. Delivering budget efficiencies and providing value for money
2. Create Local Employment and Training Opportunities
3. Support local businesses - SME and alternative providers
4. Promote workforce diversity and equality of opportunity
5. Promote fair employment practice including implementation of the London Living Wage
6. Promote ethical sourcing, including fair trade products
7. Promote environmentally sustainable products and businesses

An engine for change in the way we undertake procurement and a way of bringing benefits to the borough.

CLAN – Centre Led Action Network



The Team

Zamil Ahmed
Head of Procurement

CORPORATE SERVICES

Mope Akinbolagbe - Category
Manager

1 X Category Support Officer

- Professional Services
- Consultants & Advisors
- Advertising & Marketing
- Financial Services
- ICT
- Office Supplies
- Cleaning
- Catering
- Waste
- Utilities
- Parking
- Furniture
- FM – Soft

CONSTRUCTION & FM

Mark Holmes - Category
Manager

1 x Category Support Officer

- Building Repairs
- M&E Repairs
- Building Materials
- Building Works
- Highways
- Professional Services
- Security
- Property Agents
- Landscapes
- (FM – Hard

CARE AND COMMISSIONING

Mouna Marhri - Category
Manager

1 x Category Support Officer

- Children's Social Care
- Adults Social Care
- General Health Services
- Healthcare Equipment
- Residential & Day Care
- Social Care & Advice
- Supporting People
- Fostering
- Transport
- Public Health

POLICY & DEVELOPMENT

Julia Estruga -Procurement
Manager

1x Procurement Analyst

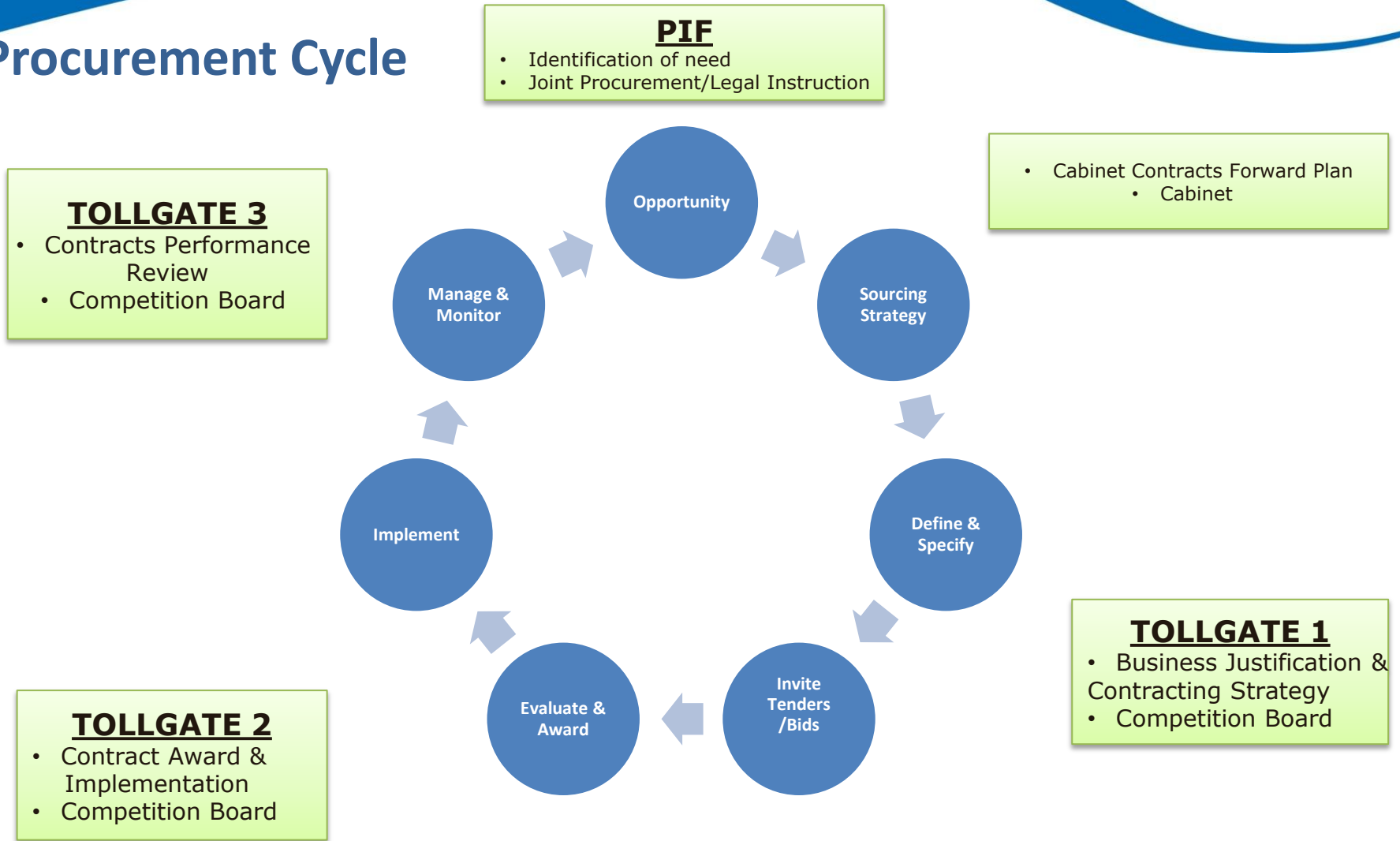
1X Procurement Officer

- Policy Development
- Spend Analysis
- System Administration
- System Development
- Local Supplier Support
- Supplier Adoption
- Internal Training
- Admin Support

LBTH Procurement Rules

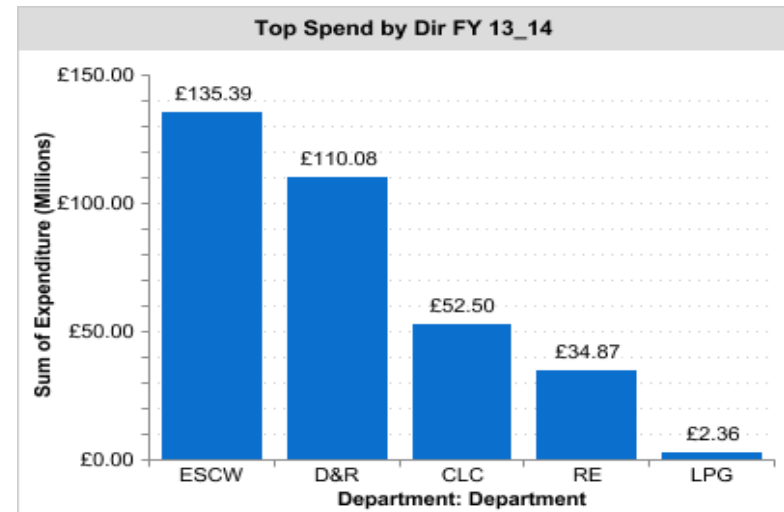
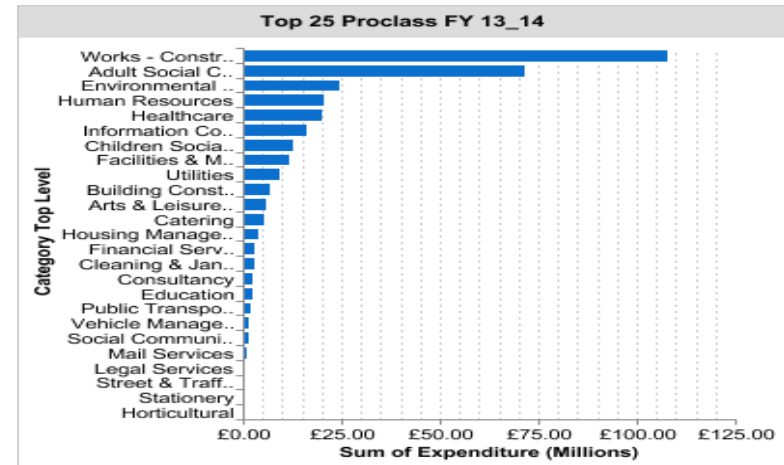
- Always use agreed contracts (Comensura, Office Depot etc.)
- Procurement Thresholds:
 - No oral quotations
 - £10K, £25K, £173K, EU threshold, £250K
 - **Level 1 (<£10K):** 1 quote; restricted to local suppliers
 - **Level 2 (£10K - £25K):** 3 quotes invited incl 1 local;
 - **Level 3 (>£25K – EU threshold)** competitive tender, Corp Procurement
 - **Level 4 (>£173K Supplies/Services ; £4.3m Works)** EU tender process
- Cabinet Approval:
 - Supplies and Services - £250k
 - Works - £5m

Procurement Cycle



The Internal Context

- **Total Spend: £351.5m (13/14)**
- £61m with Local Suppliers (13/14)
- £40m with 577 Local Suppliers (Q1/2)
- 6,000 suppliers (down from 13,000)
- FY14/15 – 98 Contracts Awarded
101 in Progress
- TG3 – 15 contract reviews completed
- LLW – 80%
- Community Benefits – 46% (20% increase)
- Aim: 90-95% of spend on contract



Achievements

- **National GO Award - Excellence in Public Procurement - March 2014**
- **London Living Wage Accreditation June 2014**
- **LB Boroughs Awards Sept 2014**
- **'Best Work with Supply Chains and/or Local Businesses to Create New Apprenticeships'**

- **Collaboration Led By LBTH:**
 - **MSTAR – Temporary Agency Staff –30 London Authorities'**
 - **Design & Print Framework – East London Solutions**
 - **LA Publications Print Contract - 10 London Authorities' + Luton.**
 - **Off-Site Storage Framework – East London Solutions**
 - **Benefits Resilience Framework – 10 London Authorities'**

LBTH Procurement Journey

- New Procurement Procedures
- Automated PQQ
- Increase threshold for Local Suppliers
- Procurement > £25k via CPU

- New Tollgate 3 (Gateway Review)
 - 15 Contracts Reviewed
- Streamlined Procurement Process
- CPU – Professionally Qualified
- Targeted Procurement Training
 - 7 Workshops / 107 officers
 - 13 Supplier briefing session
- RFQ Toolkit – Standard T's & C's
- Revised TOR for CB/CPF
- Quarterly Spend Analysis
- Savings Challenge Programme
- New Community Benefits Schedule
- Local Spend – up from 15% to 22%

- Procurement Improvement Programme
- New Procurement Strategy
- New Ethical Governance Protocol
- New Procurement Service
- Improved Governance / Compliance
- Member/Mayor Engagement
- Automation of procurement >£5k
- Local Supplier Portal to give SME's greater access to Council contracts, especially in lower value thresholds
- Central contracts monitoring
- Transparency Code
- New EU Directives Implementation

2013/14

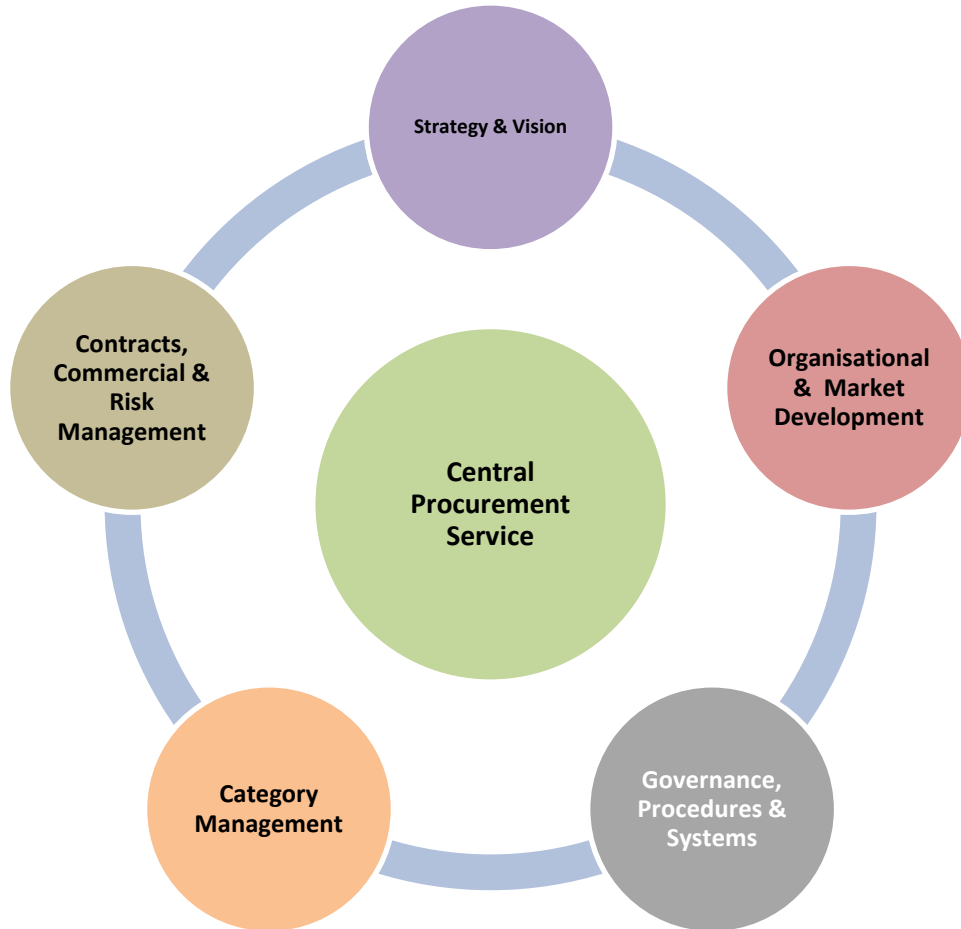
2014/15

2015/6

Current Issues/Demands

- **Procurement Policy Imperatives**
 - Demands to support local businesses / develop markets
 - London Living Wage – Monitor and Manage to ensure compliance with Accreditation Status
 - Demand for Procurement Support with writing specifications
- **Local Government Transparency Code**
 - Publication of all contracts over £5k
 - Publication of all Purchasing Card expenditure
 - Need for better Procurement Intelligence to improve local transparency and drive compliance
- **Internal Demands**
 - High demand from Directorates for bespoke training for specific areas
 - Need for some central Contract Monitoring below Tollgate threshold – High Risk
 - Demand for Procurement Service to support savings programme – cross directorate projects
 - THH&D&R - Extensive list of procurements to support Mayoral Manifesto – New homes
- **New EU Directives 2015**
 - Largest change to Public Sector Procurement since 2006!
 - Change's to Procurement Systems, Procedures and practices - underway to comply with regulations

Where Next?



- **Thank You.**
- **Questions?**